

CNR, Inc.

Docket 139
Cause 28

State of West Virginia
Department of Environmental Protection
OIL AND GAS CONSERVATION COMMISSION
1356 Hansford Street
Charleston, West Virginia 25301
Telephone: (304) 558-6076
Fax: (304) 558-6047

Barry K. Lay, Chairman
Michael W. Sinicropi, Member
Denny P. Harton, Member
John H. Johnston, Ex-Officio
Michael O. Callaghan, Ex-Officio

Bob Wise, Governor

**BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF WEST VIRGINIA**

**IN THE MATTER OF THE REQUEST BY COLUMBIA
NATURAL RESOURCES, INC. FOR AN ORDER
POOLING TRACTS AND INTERESTS OF
OPERATORS AND ROYALTY OWNERS IN THE
ABSENCE OF A VOLUNTARY AGREEMENT FOR
THE DEVELOPMENT AND OPERATION OF UNIT
BLOCK 184, IN THE TUSCARORA SANDSTONE
POOL OF THE INDIAN CREEK FIELD, MALDEN
DISTRICT, KANAWHA COUNTY, WEST VIRGINIA.**

DOCKET NO. 139-28

ORDER 1

REPORT OF THE COMMISSION

This cause came before the Commission on June 22, 2001, at 1:30 p.m., in the Department of Environmental Protection, Office of Oil and Gas, 1356 Hansford Street, Charleston, West Virginia, after giving notice of hearing as required by law on the application of Columbia Natural Resources, Inc., (CNR) for an order from the Commission pooling unleased tracts and interests and leased tracts and interests with no pooling rights, for the development and operation of United Block 184 in the Tuscarora Sandstone pool of the Indian Creek Field, Malden District, Kanawha County, West Virginia.

FINDINGS OF FACT

1. The application was submitted under the provisions of 22C-9-7(b) of the Code of West Virginia, as amended, and the applicable rules of Practice and Procedure of this Commission.
2. An Order establishing Special Field Rules was issued by the commission on August 29, 1979 for the Tuscarora Sandstone pool of the Indian Creek Field, Malden and Elk Districts, Kanawha County, West Virginia.
3. From the evidence and testimony introduced in the hearing, it appears and the Commission hereby finds:
 - a. Applicant has obtained lease rights to leases with voluntary pooling provisions representing approximately 98% of the oil and gas interests in United Block 184.
 - b. Applicant has attempted to obtain leases or lease modifications (to add pooling rights) from the remaining oil and gas interest owners in Unit Block 184, but has been unable to do so.
 - c. The interests of all unleased owners of oil and gas interests or leased owners with no pooling provisions are shown in Exhibit A to this Order.

- d. Applicant proposes to act as operator for the development of Unit Block 184 and is unaware of any other interested person who proposed to act as operator.
- e. No other operator or royalty owner made an appearance at the hearing.
- f. Applicant's estimate of the costs of drilling, completing and equipping the proposed well in Unit Block is \$807,468.00
- g. The proposed location of the well in Block 184 conforms to the distance from the unit boundary and offset wells prescribed in Order No. 1.
- h. In the absence of the pooling order and designation of Applicant as operator, the oil and gas within the Tuscarora Formation underlying tracts within drilling Unit Block 184 may not be produced and developed.

CONCLUSIONS OF LAW

1. Due notice of the time, place and purpose of the hearing has been given as required by law.
2. Pursuant to WV Code 22C-9-7, as amended, the Commission has jurisdiction over the subject matter embraced in said notice and the persons interested therein, and jurisdiction to promulgate the hereinafter-prescribed Order.
3. That Applicant is an operator within the meaning of WV Code 22C9-2(a)(4), and as such has standing to make the application, which is the subject of this hearing.
4. That the granting of this application will prevent waste of oil and gas resources and will protect the correlative rights of all persons having an interest in oil and gas underlying Unit Block 184.

ORDER

It is hereby Ordered that the unleased interests or leased interests with no pooling provision in the Tuscarora Sandstone, Indian Creek Field, Malden District, Kanawha County, West Virginia, underlying Unit Block 184 of said field be pooled under the following terms and conditions:

1. Applicant, Columbia Natural Resources, Inc., is designated Operator of Unit Block 184 and is authorized to drill a well on a said block, subject to securing an appropriate Drilling Permit from the Division of Oil and Gas.
2. All persons on Exhibit A deemed to be an operator as defined in WV Code 22C-9-2(a)(4) may elect to participate in the development of Unit Block 184 as authorized by law, by submitting in writing to Applicant and the Commissioner their election to participate within ten (10) days from the date of this Order. Such election shall obligate said persons to pay their share, calculated on the net oil and gas acreage in the unit, of all reasonable costs and expenses of drilling, completing, equipping, operating and plugging the well, including reasonable charges participate in the risk and cost of drilling may elect to:
 - a. Surrender his interest to the participating owners, on a reasonable basis and for a reasonable consideration by notifying Applicant and the Commissioner, in writing, within ten (10) days of the date of this Order, of his election to surrender. If an electing owner and the designated operator cannot reach such an agreement as to the bases and consideration for such surrender, the Commissioner will, upon written application, conduct further hearings herein to determine the same.
 - b. Participate on a carried basis, as described in WV Code 22C-9-7(b)(5)(B), by notifying the Applicant and the Commissioner, in writing, within ten (10) days of his election to participate on a carried basis.
 - c. Any operator who fails to notify the Applicant and the Commissioner of his election under Sections (a) and (b) of Paragraph 2 above, as required, shall,

pursuant to the Commission's authority to prevent waste and protect correlative rights, be deemed to have elected to participate on a carried basis.

3. Persons identified in Exhibit A are royalty owners joined in Unit Block 184 pursuant to this Order and are entitled to their proportionate share of royalty in accordance with the terms of their respective leases or, as defined in 22C-9-2(a)(5) of the WV Code, are unleased royalty owners and are entitled to their proportionate share of one-eighth (1/8) royalty of production as Ordered in the amendment to Order No. 1 dated August 29, 1980.

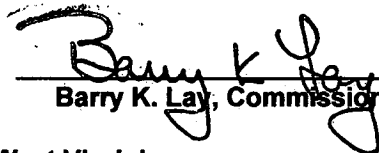
4. All royalties hereunder shall be paid on the basis of the proportion that their net oil and gas acreage within the unit bears to the total acreage within the unit.

5. This Order shall not operate to prevent unleased owners of interests in oil and gas within Unit Block 184 from hereafter leasing or otherwise assigning or conveying said interest.

The Commission further incorporates the Report of the Commission and the Findings of Fact and Conclusions of Law as part of this Order.

IN THE NAME OF THE STATE OF WEST VIRGINIA:

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF WEST VIRGINIA

By: 
Barry K. Lay, Commissioner

Dated this 27th day of July, 2001, at Charleston, West Virginia.

EXHIBIT A

<u>Lease No.</u>	<u>Name</u>	<u>Acreage Leased without Unitization/Modification Agreement</u>	<u>Interest In Unit</u>	<u>Unleased Acreage</u>
1190660-000	Kinlaw H. Richardson and Rosalie M. Richardson, his wife 1052 Sporingdale Road Hurricane, WV 25526 Phone (304) 757-7965	0.229	0.0358%	
1190660-000	Bevil L. Holstine and Betty Holstine, his wife 152 Burning Springs Road Belle, WV 25015 Phone (304) 925-0004	0.851	0.1329%	
1190660-000	Larry Gene Dodson and Nancy L. Dodson, his wife 124 Burning Springs Road Belle, WV 25015 Phone (304) 925-5434	0.116	0.0181%	
1190661-000	WV Dept. of Transportation Building 5, Room 109 1900 Kanawha Boulevard, East Charleston, WV 25305 Phone (304) 558-0444	0.960	0.1500%	
No Lease	WV Dept. of Transportation Building 5, Room 109 1900 Kanawha Boulevard, East Charleston, WV 25305 Phone (304) 558-0444		1.4641%	9.37
Total		<u>2.156</u>	<u>1.8009%</u>	<u>9.37</u>

**BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF WEST VIRGINIA**

IN THE MATTER OF THE APPLICATION OF COLUMBIA)
NATURAL RESOURCES, INC. FOR AN ORDER FROM THE)
COMMISSION POOLING TRACTS AND INTERESTS OF)
OPERATORS AND ROYALTY OWNERS IN THE ABSENCE)
OF A VOLUNTARY AGREEMENT FOR THE DEVELOPMENT)
AND OPERATION OF UNIT BLOCK 184 IN THE TUSCARORA)
SANDSTONE POOL OF THE INDIAN CREEK FIELD, MALDEN)
DISTRICT, KANAWHA COUNTY, WEST VIRGINIA, PURSUANT)
TO WEST VIRGINIA CODE 22C-9-7(b), AS AMENDED.)

DOCKET NO. 139

CAUSE NO. 28

REPORT OF THE COMMISSION

This cause came before the Commission on June 22, 2001, at 1:30 p.m. in the Office of the Department of Environmental Protection at 1356 Hansford Street, 2nd Floor, Charleston, West Virginia, after giving notice of hearing as required by law on the application of Columbia Natural Resources, Inc., (CNR) for an order from the Commission pooling unleased tracts and interests, and leased tracts and interests with no pooling rights, for the development and operation of Unit Block 184 in the Tuscarora Sandstone pool of the Indian Creek Field, Malden District, Kanawha County, West Virginia.

FINDINGS OF FACTS

1. The application was submitted under the provisions of 22C-9-7(b) of the Code of West Virginia, as amended, and the applicable rules of Practice and Procedure of this Commission.

~~1960~~ 2. An Order establishing Special Field Rules was issued by the Commission on August 29, ~~1979~~ for the Tuscarora Sandstone pool of the Indian Creek Field, Malden and Elk Districts, Kanawha County, West Virginia

3. From the evidence and testimony introduced in the hearing, it appears and the Commission hereby finds:

- (a) Applicant has obtained lease rights to leases with voluntary pooling provisions representing approximately 98% of the oil and gas interests in Unit Block 184.
- (b) Applicant has attempted to obtain leases or lease modifications (to add pooling rights) from the remaining oil and gas interest owners in Unit Block 184, but has been unable to do so.
- (c) The interests of all unleased owners of oil and gas interests or leased owners with no pooling provisions are shown in Exhibit A to this Order.
- (d) Applicant proposes to act as operator for the development of Unit Block 184 and is unaware of any other interested person who proposed to act as operator.

- (e) No other operator or royalty owner made an appearance at the hearing.
- (f) Applicant's estimate of the costs of drilling, completing and equipping the proposed well in Unit Block 184 is \$807,468.00.
- (g) The proposed location of the well in Block 184 conforms to the distance from the unit boundary and offset wells prescribed in Order No. 1.
- (h) In the absence of the pooling order and designation of Applicant as operator, the oil and gas within the Tuscarora Formation underlying tracts within drilling Unit Block 184 may not be produced and developed.

CONCLUSION OF LAW

1. Due notice of the time, place and purpose of the hearing has been given as required by law.
2. Pursuant to West Virginia Code 22C-9-7, as amended, the Commission has jurisdiction over the subject matter embraced in said notice, and the persons interested therein, and jurisdiction to promulgate the hereinafter-prescribed Order.
3. That Applicant is an operator within the meaning of West Virginia Code 22C-9-2(a)(4), and as such has standing to make the application which is the subject of this hearing.
4. That the granting of this application will prevent waste of oil and gas resources and will protect the correlative rights of all persons having an interest in oil and gas underlying Unit Block 184.

ORDER

It is thereby ORDERED that the unleased interests or leased interests with no pooling provision in the Tuscarora Sandstone, Indian Creek Field, Malden District, Kanawha County, West Virginia, underlying Unit Block 184 of said field be pooled under the following terms and conditions:

1. Applicant, Columbia Natural Resources, Inc., is designated Operator of Unit Block 184 and is authorized to drill a well on said block, subject to securing an appropriate Drilling Permit from the Division of Oil and Gas.
2. All persons on Exhibit A deemed to be an operator as defined in West Virginia Code 22C-9-2(a)(4) may elect to participate in the development of Unit Block 184 as authorized by law, by submitting in writing to Applicant and the Commissioner their election to participate within ten (10) days from the date of this Order. Such election shall obligate said persons to pay their share, calculated on the net oil and gas acreage in the unit, of all reasonable costs and expenses of drilling, completing, equipping, operating and plugging the well, including reasonable charges of the Applicant for supervision of the operation of the well. Any operator not wishing to participate in the risk and cost of drilling may elect to:
participating owners
 - a. Surrender his interest to the ~~designated operator, Columbia Natural Resources, Inc.~~, on a reasonable basis and for a reasonable consideration by notifying Applicant and the Commissioner, in writing, within ten (10) days

of the date of this Order, of his election to surrender. If an electing owner and the designated operator cannot reach such an agreement as to the basis and consideration for such surrender, the Commissioner will, upon written application, conduct further hearings herein to determine the same.

- b. Participate on a carried basis, as described in West Virginia Code 22C-9-7(b)(5)(B), by notifying the Applicant and the Commissioner, in writing, within ten (10) days of his election to participate on a carried basis.
- c. Any operator who fails to notify the Applicant and the Commissioner of his election under Sections (a) and (b) of Paragraph 2 above, as required, shall, pursuant to the Commission's authority to prevent waste and protect correlative rights, be deemed to have elected to participate on a carried basis.

3. Persons identified in Exhibit A are royalty owners joined in Unit Block 184 pursuant to this Order and are entitled to their proportionate share of royalty in accordance with the terms of their respective leases or, as defined in 22C-9-2(a)(5) of the West Virginia Code, are unleased royalty owners and are entitled to their proportionate share of one-eighth (1/8) royalty of production as Ordered in the amendment to Order No. 1 dated August 29, ~~1979~~ 1980

4. All royalties hereunder shall be paid on the basis of the proportion that their net oil and gas acreage within the unit bears to the total acreage within the unit.

5. This Order shall not operate to prevent unleased owners of interests in oil and gas within Unit Block 184 from hereafter leasing or otherwise assigning or conveying said interest.

The Commission further incorporates the Report of the Commission and the Findings of Fact and the Conclusion of Law as a part of this Order.

Entered this ____ day of _____, 2001, at Charleston, West Virginia.

IN THE NAME OF THE STATE OF WEST VIRGINIA:

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF WEST VIRGINIA

By: _____
Barry K. Lay, Commissioner

ORIGINAL

BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF WEST VIRGINIA

IN THE MATTER OF THE REQUEST BY COLUMBIA
NATURAL RESOURCES, INC. FOR AN ORDER
POOLING TRACTS AND INTERESTS OF
OPERATORS AND ROYALTY OWNERS IN THE
ABSENCE OF A VOLUNTARY AGREEMENT FOR
THE DEVELOPMENT AND OPERATION OF UNIT
BLOCK 184, IN THE TUSCARORA SANDSTONE
POOL OF THE INDIAN CREEK FIELD, MALDEN
DISTRICT, KANAWHA COUNTY, WEST VIRGINIA.

DOCKET NO. 139

CAUSE NO. 28

Transcript of proceedings had and testimony
taken at a hearing held pursuant to notice in the
above-styled matter at the Department of Environmental
Protection, Office of Oil and Gas, 1356 Hansford
Street, Charleston, West Virginia, on Friday, the 22nd
day of June, 2001, at 1:30 p.m..

BEFORE: BARRY K. LAY, Commissioner and Chairman
DENNY P. HARTON, Member
RANDY HUFFMAN, appearing for
MICHAEL O. CALLAGHAN, Ex-Officio Member
JOHN H. JOHNSTON, Ex-Officio Member
MICHAEL W. SINICROPI, Member

DATE: JULY 3, 2001

NINETY DAYS FROM THE ABOVE DATE THE
TAPES OF THIS MATTER WILL BE ERASED
SO THAT THEY MAY BE REUSED UNLESS
WE HEAR FROM YOU INDICATING YOUR
REASONS WHY THIS SHOULDN'T BE DONE.

JANET T. SURFACE
145 BELLE ACRES
SCOTT DEPOT, WV 25560
PHONE (304) 757-0622

PRESENT:

L. BRETT LOFLIN, Engineer,
CYNTHIA SMITH, Administrative Secretary,
State of West Virginia,
Department of Environmental Protection,
Oil and Gas Conservation Commission,
1356 Hansford Street,
Charleston, West Virginia 25301;

ANTHONY A. WILHOIT, Attorney at Law,
Wilhoit and Kaiser,
230 Capitol Street,
Charleston, West Virginia 25325,

and

KEITH E. MOFFATT, In-House Attorney,
Columbia Natural Resources, Inc.,
900 Pennsylvania Avenue,
Charleston, West Virginia 25302,
representing Columbia Natural Resources, Inc..

I N D E X

<u>Witnesses</u>	<u>Direct</u>	<u>Commission</u>	<u>Staff</u>
Moffatt, Keith	7	13 DH	15
Johnson, R. Joe	16		
McClure, L. Jack	29, 23	22 DH	
Hesson, Clinton David	24		

<u>Exhibits</u>	<u>Identified</u>	<u>Received</u>
Exhibit No. 1	4	4
Exhibit No. 2	5	5
Exhibit No. 3	5	5
Exhibit No. 4	5	5
Exhibit No. 5	6	6

1 CHAIRMAN LAY: Before the Oil and Gas
2 Conservation Commission of the State of West Virginia.

3 In the matter of the request by
4 Columbia Natural Resources, Inc. for an order pooling
5 tracts and interests of the operators and royalty
6 owners in the absence of a voluntary agreement for the
7 development and operation of Unit Block 184 in the
8 Tuscarora Sandstone Pool of the Indian Creek Field,
9 Malden District, Kanawha County, West Virginia.

10 This is Docket Number 139; Cause
11 Number 28.

12 Let the record show that present
13 today are members of the Commission, Barry Lay,
14 Mike Sinicropi, John Johnston, Denny Harton, and
15 Randy Huffman.

16 Also representing the staff are
17 Cindy Smith and Brett Loflin.

18 At this time, I would like to put of
19 record the notice of hearing with certified receipts as
20 Exhibit 1.

21 (WHEREUPON, said document was
22 received in evidence, marked

1 for identification as Exhibit
2 No. 1, and is attached hereto
3 and made a part hereof.)

4 CHAIRMAN LAY: Exhibit 2 is a copy of the
5 advertisement.

6 (WHEREUPON, said document was
7 received in evidence, marked
8 for identification as Exhibit
9 No. 2, and is attached hereto
10 and made a part hereof.)

11 CHAIRMAN LAY: Exhibit 3 is the letter of
12 request from CNR for hearing.

13 (WHEREUPON, said document was
14 received in evidence, marked
15 for identification as Exhibit
16 No. 3, and is attached hereto
17 and made a part hereof.)

18 CHAIRMAN LAY: Exhibit 4 is the application
19 for forced pooling.

20 (WHEREUPON, said document was
21 received in evidence, marked
22 for identification as Exhibit

1 No. 4, and is attached hereto
2 and made a part hereof.)

3 CHAIRMAN LAY: And Exhibit 5 is the
4 application for well work.

5 (WHEREUPON, said document was
6 received in evidence, marked
7 for identification as Exhibit
8 No. 5, and is attached hereto
9 and made a part hereof.)

10 CHAIRMAN LAY: At this time the Commission
11 will take appearances and/or opening statements,
12 whichever you prefer.

13 MR. WILHOIT: My name is Tony Wilhoit. I'm
14 here on behalf of Columbia Natural Resources on this
15 particular docket matter.

16 And I have with me four witnesses.
17 Would you like to swear them all now prior to hearing?

18 CHAIRMAN LAY: That would be fine.

19 Would you please swear the witnesses.

20 (Witnesses sworn/affirmed.)

21 MR. WILHOIT: Are you ready to proceed?

22 CHAIRMAN LAY: We're ready to proceed.

1 MR. WILHOIT: This is an application for an
2 order for pooling involving the Unit Block 184 in the
3 Tuscarora Sandstone Pool of Indian Creek, Kanawha
4 County.

5 Our first witness will be
6 Mr. Keith Moffatt.

7 THEREUPON came

8 KEITH MOFFATT
9 called as a witness on behalf of Columbia Natural
10 Resources, Inc., having been first duly sworn/affirmed
11 according to law, was examined and testified upon his
12 oath/affirmation as follows:

13 DIRECT EXAMINATION

14 BY MR. WILHOIT:

15 Q Sir, would you state your full name and
16 where you're employed.

17 A Keith Moffatt. I'm an in-house attorney
18 with Columbia Natural Resources.

19 Q Mr. Moffatt, are you familiar with the
20 application that you have filed before the Oil and Gas
21 Conservation Commission which has been docketed as 139,
22 cause number 28?

1 A Yes, I am.

2 Q Are you an operator as defined by the
3 West Virginia Code authorized to file this application?

4 A Yes. Columbia Natural Resources is an
5 operator as so defined.

6 Q In connection with the acreage that's
7 been cited here, Unit Block 184 in Kanawha County, do
8 you have any special field rules already in place?

9 A Yes. In 1979, special field rules were
10 established for certain lands in Kanawha County, West
11 Virginia, and these lands are commonly referred to as
12 the Indian Creek field. And there were special field
13 rules established with regard to the Tuscarora
14 formation as to the Indian Creek field. And under the
15 special field rules, it was required that drilling
16 units had to contain or consist of six-hundred-and-
17 forty acres. And Columbia Natural Resources, as you've
18 indicated, would like to drill a well on block number
19 184 of the Indian Creek field and to date has not
20 received, and to date does not have a voluntary
21 agreement with all of the oil and gas interest owners
22 in block number 184.

1 Q Do you have a drilling permit for this
2 proposed well number 24239?

3 A Yes. A drilling permit application has
4 been filed with the State of West Virginia.

5 Q And you have attached it as application
6 as Exhibit No. 1?

7 A That is correct.

8 Q All right, sir. Have you, in connection
9 with the application, obtained a written consent and
10 easement agreement from the surface owners for the
11 tract where you propose to drill the well?

12 A Yes, we have.

13 Q Have you attached that to your
14 application as well?

15 A That is correct.

16 Q That would be Exhibit No. 2 to the
17 application?

18 A That is correct. And I might also add
19 that we do have a coal waiver and a surface waiver from
20 the coal owner and surface owner. And I don't believe
21 they were attached to the application.

22 Q Are there any other operators that you're

1 aware of that have any desire or wish to operate in
2 Unit Block No. 184?

3 A No, I am not.

4 Q Would you explain to the Commission then
5 the primary reason we're here today and what the
6 situation is regarding leases and voluntary agreements
7 that you may or may not have on these tracts, including
8 within the unit.

9 A As I mentioned, under the special field
10 rules in effect, it's required that you have six-
11 hundred-and-forty-acre drilling units. To date we
12 don't have voluntary agreement from all parties. With
13 regard to unleased owners, we have a little bit over
14 nine acres. It's nine-point-three-seven acres which
15 are currently unleased. And then with regard to about
16 two-point-one-five-six acres, we do have leases
17 covering those lands but there's no pooling clause in
18 those leases.

19 Q All right, sir. Is that information that
20 you've just recited contained on Exhibit No. 3 to the
21 application?

22 A It's contained on Exhibit 3 but that

1 Exhibit 3 has been revised to reflect new information.

2 MR. WILHOIT: We have revised No. 3,
3 Mr. Chairman, and we would submit that properly
4 reflects, or it amends the one that was submitted with
5 the application to accurately reflect what the witness
6 has just testified to.

7 THE WITNESS: And I could explain the
8 difference. In the Exhibit 3 attached to the
9 application, the State of West Virginia, the Department
10 of Highways is shown as owning, I believe it's four-
11 point-three-seven acres. And since we filed our
12 application, we've determined that the State of West
13 Virginia Department of Highways, Department of
14 Transportation, owns an additional five acres, which is
15 unleased. So the West Virginia Department of
16 Transportation interest has increased.

17 BY MR. WILHOIT:

18 Q That document you have in your hand right
19 now, would you explain what that is?

20 A This is a plat showing the unit
21 boundaries for the Block 184 for the six-hundred-and-
22 forty acres onto which we would like to drill our well.

1 Q Does it indicate on there the acreage
2 that you would wish to be subject to this forced
3 pooling order?

4 A Yes, it does.

5 MR. WILHOIT: Mr. Chairman, we tender that
6 as application Exhibit No. 4. At this time, I think
7 everybody has a copy of it.

8 BY MR. WILHOIT:

9 Q At this time your Exhibit No. 4 has on
10 the bottom of it a legend that says that the material
11 cannot be copied or reproduced without your express
12 written consent. Are you at this point willing to
13 waive that for the Commission's purposes?

14 A Yes. Columbia Natural Resources will
15 waive that requirement.

16 Q Are you asking that the Commission enter
17 an order naming Columbia Natural Resources as operator
18 of this interest?

19 A Yes, we are.

20 Q And that if you are allowed this order
21 and you are allowed to operate, then you will promote
22 all of the public policy of the State of West Virginia,

1 including prevention of waste, protection of
2 correlative rights, and so forth?

3 A Right. That is Columbia Natural
4 Resources' position. This order is necessary to
5 prevent waste and then to protect the correlative
6 rights of the parties involved in the six-hundred-and-
7 forty-acre unit.

8 MR. WILHOIT: That's all I have,
9 Mr. Chairman.

10 CHAIRMAN LAY: Do any members of the
11 Commission have any questions for the witness?

12 EXAMINATION

13 BY MEMBER HARTON:

14 Q With regard to the plat that you
15 submitted as Exhibit 4, is there something here that
16 would help me understand relative to this plat exactly
17 where the well location would be?

18 A You have the well plat which is submitted
19 as part of the drilling permit application.

20 Q All right.

21 A You have to use that plat in conjunction
22 with this plat to determine or establish where the well

1 will be.

2 MR. WILHOIT: I might be able to establish
3 that with one of the other witnesses. Do either one of
4 you know where that is, on this map where it would be?
5 Do you think you can do that?

6 (WHEREUPON, a discussion
7 was had off the record.)

8 MEMBER HARTON: Let the record indicate
9 that-- What's your name?

10 MR. McCLURE: Jack McClure.

11 MEMBER HARTON: (continuing) Jack McClure
12 indicated that the proposed well site is approximately
13 in the center of the block indicated on Exhibit 4.

14 THE WITNESS: If it may help, I do have some
15 approximate distances. The well is going to be two-
16 hundred or two-thousand-one-hundred-and-eleven feet
17 from the east line, two-thousand-five-hundred-and-
18 sixty-nine feet from the north line, three-thousand-
19 one-hundred-and-sixty-one feet from the west line, and
20 then two-thousand-six-hundred-and-ninety-three feet
21 from the south line. Those are approximate figures.

22 MEMBER HARTON: I thought he was an

1 attorney.

2 CHAIRMAN LAY: Any other questions?

3 MEMBER HARTON: Have you attempted to get
4 what you need from the State of West Virginia?

5 MR. WILHOIT: We're going to establish that
6 with the other witnesses who have actually talked to
7 the people.

8 MEMBER HARTON: All right.

9 MR. LOFLIN: Barry, excuse me. I do have
10 one question.

11 With your drilling permit
12 application, have you also submitted a map of the same
13 unit block showing all the interests included in the
14 unit, those that are leased and you have pooling
15 provisions for? Are you aware of that?

16 THE WITNESS: I believe we have submitted
17 that document, yes.

18 CHAIRMAN LAY: Anything else?

19 (Pause.)

20 CHAIRMAN LAY: Thank you. You may be
21 excused.

22 (Witness excused.)

1 MR. WILHOIT: I will call Mr. Joe Johnson at
2 this time.

3 THEREUPON came

4 R. JOE JOHNSON
5 called as a witness on behalf of Columbia Natural
6 Resources, Inc., having been first duly sworn/affirmed
7 according to law, was examined and testified upon his
8 oath/affirmation as follows:

9 DIRECT EXAMINATION

10 BY MR. WILHOIT:

11 Q Would you state your full name, please,
12 for the record.

13 A R. Joe Johnson.

14 Q Mr. Johnson, how are you employed?

15 A I'm self-employed. I'm the owner and
16 manager of A & A Land Services.

17 Q In connection with your employment, have
18 you contracted to do work for Columbia Natural
19 Resources?

20 A Yes sir, I have.

21 Q They are the applicant in this hearing;
22 you realize that?

1 A Yes sir.

2 Q In connection with Exhibit No. 3 revised,
3 that we've tendered today, there are names of certain
4 individuals that are listed thereupon. Would you
5 explain to the Commission what you were asked to do and
6 what you did and the results of your contact with these
7 people.

8 A Well, it was requested to lease certain
9 lots and parcels that were unleased or did not have
10 modification agreement which provided for pooling
11 rights. I've contacted all of them and there was three
12 that would not lease.

13 One of them, the first one on the
14 list is Kinlaw Richardson. This is only a small
15 portion that's going to be in this unit. He had about
16 nine acres and said: I don't want to be bothered with
17 signing a lease for such a small portion; just go ahead
18 and force pool me.

19 Bevil Holstine and Betty Holstine,
20 after consulting with an attorney, who advised them not
21 to sign, they wouldn't sign the pooling agreement.

22 Larry Dodson, after also contacting

1 legal counsel, was advised that we, being CNR, would go
2 ahead and force pool it anyway, so why sign a lease,
3 just let them force pool you.

4 Q Now you say "sign a lease." In fact,
5 these people are already under lease.

6 A It's already under lease. The property
7 is held by production but it had no pooling rights in
8 the lease.

9 Q So you approached them regarding a
10 modification of their lease if they were interested in
11 pooling?

12 A That is correct.

13 Q In each case, the answer was negative?

14 A Correct.

15 Q I see. And, of course, the acreage owned
16 by each of the individuals and their percentage
17 interest in the unit is set out on Exhibit 3?

18 A That is correct.

19 EX-OFFICIO MEMBER JOHNSTON: What about the
20 Highway Department?

21 MR. WILHOIT: That's coming in with another
22 witness.

1 EX-OFFICIO MEMBER JOHNSTON: Okay.

2 MR. WILHOIT: Sorry about that. We've got
3 people doing different things.

4 That's all the questions I have,
5 Mr. Chairman.

6 CHAIRMAN LAY: Any questions from members of
7 the board or staff?

8 EX-OFFICIO MEMBER JOHNSTON: Joe, what was
9 the reason the other attorney gave for not leasing, do
10 you know?

11 THE WITNESS: I didn't get into that, John.

12 EX-OFFICIO MEMBER JOHNSTON: Okay.

13 THE WITNESS: When I went back after they
14 said they wanted to think about it and they had
15 consulted an attorney and said the attorney advised
16 them not to lease, that they could all be force pooled
17 anyway, and I just walked away.

18 CHAIRMAN LAY: Anyone else?

19 (Pause.)

20 CHAIRMAN LAY: Thank you. You may be
21 excused.

22 (Witness excused.)

1 MR. WILHOIT: We'll call Mr. McClure,
2 Mr. Jack McClure.

3 THEREUPON came

4 L. JACK McCCLURE

5 called as a witness on behalf of Columbia Natural
6 Resources, Inc., having been first duly sworn/affirmed
7 according to law, was examined and testified upon his
8 oath/affirmation as follows:

9 DIRECT EXAMINATION

10 BY MR. WILHOIT:

11 Q Would you state your full name, please,
12 for the record.

13 A Yes sir. My name is L. Jack McClure.
14 I'm senior landman with the southeast region, Columbia
15 Natural Resources.

16 Q Mr. McClure, are you familiar with this
17 application that's presently before the Commission?

18 A Yes sir.

19 Q In connection with that, did you contact
20 any of the people listed on Exhibit No. 3?

21 A Yes, the Department of Transportation,
22 about leasing their unleased acreage.

1 Q All right, sir. Would you explain to the
2 Commission what you did and the results of your
3 efforts.

4 A Okay. We sent the Department of
5 Transportation our standard CO₂ lease. Their legal
6 department review it, look at it. They made some
7 changes. They sent it back.

8 We looked at it, made some changes,
9 and sent it back. We finally come to an agreement on a
10 form; sent it back to them. It should be in their
11 hands now.

12 Q Do you know of any reason why it has not
13 been executed and returned to CNR?

14 A Only that the gentleman I've been in
15 contact with is on vacation this week.

16 Q So in effect we have a voluntary
17 agreement in principle, but we just don't have a signed
18 document?

19 A We do not have a signed document,
20 correct.

21 Q Therefore, your understanding is that
22 there is still an unleased interest and still at this

1 time need a forced pooling order to pool their
2 interest?

3 A Yes sir.

4 Q You also understand that in the event
5 that they were to execute that lease and send it back
6 to us, then we would be able to delete them from any
7 supplemental order or order that came out of this
8 board?

9 A Yes sir.

10 Q Would that be correct?

11 All right, sir. So in essence they
12 have leased but we just don't have it yet?

13 A Correct.

14 MR. WILHOIT: Thank you.

15 That's all I have of this witness.

16 MEMBER HARTON: Is he the one that can offer
17 some insight into this map?

18 MR. WILHOIT: We'll do our best.

19 EXAMINATION

20 BY MEMBER HARTON:

21 Q I assume that the dotted lines are
22 property boundaries.

2 Q Okay. This big area here (indicating),
3 who owns that?

5 CHAIRMAN LAY: Excuse me. Can I clarify?
6 Are you speaking of dotted lines or do you mean the
7 dark hashed lines?

9 CHAIRMAN LAY: Okay. I'm just trying to
10 clarify which ones you're talking about.

12 THE WITNESS: I thought I answered the
13 question. Lawson--

15 Q And the colored areas are what?

16 A Is the acreage that we do not have
17 modifications on yet or leases on yet.

18 Q So everything in white you've already got
19 a pooling agreement on?

21 MEMBER HARTON: Okay.

22 DIRECT EXAMINATION (resumed)

1 BY MR. WILHOIT:

2 Q Is it safe to say that we've got about
3 ninety-nine percent of it under agreement, is that
4 correct?

5 A It appears that way, yes sir.

6 MR. WILHOIT: Ninety-eight percent.

7 CHAIRMAN LAY: Any other questions?

8 (Pause.)

9 CHAIRMAN LAY: You may be excused. Thank
10 you.

11 (Witness excused.)

12 MR. WILHOIT: One more witness:

13 Dave Hanson.

14 MR. HESSON: Hesson.

15 MR. WILHOIT: Hesson.

16 THEREUPON came

17 CLINTON DAVID HESSON

18 called as a witness on behalf of Columbia Natural
19 Resources, Inc., having been first duly sworn/affirmed
20 according to law, was examined and testified upon his
21 oath/affirmation as follows:

22 DIRECT EXAMINATION

1 BY MR. WILHOIT:

2 Q Would you state your full name, please,
3 for the record.

4 A My name is Clinton David Hesson,
5 H-e-s-s-o-n.

6 Q Are you an employee of Columbia Natural
7 Resources?

8 A Yes sir.

9 Q Are you familiar with this application
10 that's been filed in connection with CNR's well number
11 24239?

12 A Yes sir.

13 Q All right, sir, in connection with that
14 work, did you prepare and have you reviewed an AFE?

15 A I have reviewed an AFE for this well.

16 Q What we've identified there as Exhibit
17 No. 5 to the application, would that be the AFE that
18 you reviewed and prepared?

19 A Yes sir.

20 MR. WILHOIT: Mr. Director, we would like to
21 submit that as Exhibit No. 5 to the application.

22 CHAIRMAN LAY: So considered.

1 BY MR. WILHOIT:

2 Q What is the total dry hole cost as set
3 out on your AFE?

4 A This made a dry hole cost of five-
5 hundred-thirty-four-thousand-six-hundred-and-fifty-
6 seven dollars.

7 Q What is the depth that you propose to
8 drill to, total depth?

9 A The well has been permitted to sixty-six-
10 hundred feet.

11 Q Would you explain to the Commission what
12 you believe to be the estimated reserves in this pool.

13 A As everyone knows it's a CO₂ field.
14 Approximately thirty-five percent is methane;
15 approximately sixty-five percent CO₂. The methane
16 reserves that we've estimated is one-point-eight BCF.
17 Let's do some math. But I believe that's about three-
18 and-a-half BCF reserves, CO₂ plus methane.

19 Q All right, sir. In your opinion then,
20 have you come to the conclusion as to whether this well
21 would be economic or commercially reasonable as far as
22 production is concerned?

1 A Yes, we believe it will be.

2 MR. WILHOIT: I believe that's all I have of
3 this witness.

4 CHAIRMAN LAY: Any member of the Commission
5 or staff have a question?

6 (Pause.)

7 CHAIRMAN LAY: Thank you.

8 (Witness excused.)

9 MR. WILHOIT: I believe with the submission
10 of those exhibits and the testimony, that would be our
11 case.

12 Thank you.

13 CHAIRMAN LAY: Do you have a--

14 MR. LOFLIN: I may have one additional
15 question. I'm not sure who to address it to, maybe
16 Mr. Moffatt.

17 For those interests that are leased
18 that you do not have a modification for pooling, in
19 your opinion how will they participate? Will they just
20 receive their one-eighth, their pro rata share of the
21 one-eighth royalty? There will be no operating
22 interest involved in that case, is that--

1 MR. MOFFATT: Our position would be that
2 they would not be entitled to any of the options under
3 the statute since they are unleased. They would share
4 as a royalty interest owner. And if this order is
5 granted, their interest would then be proportionately
6 reduced as to the amount of acreage they have in the
7 unit.

8 MEMBER HARTON: Are there any other
9 operators in the unit, that leased acreage in the unit?

10 MR. MOFFATT: There is a shallow gas well.
11 But I don't know if it's in this unit, which, I
12 believe, is operated by Cabot Oil and Gas.

13 MEMBER HARTON: Have they been noticed?

14 MR. MOFFATT: I don't believe so.

15 CHAIRMAN LAY: If you think that's the case,
16 do they have any operating rights to the Tuscarora?

17 MR. MOFFATT: No. We have-- They farmed
18 out their deep rights to Columbia Natural Resources.

19 CHAIRMAN LAY: Okay.

20 MEMBER HARTON: Okay. Well, that was where
21 my question was headed. Within the six-hundred-forty-
22 acre block, you guys hold all of the rights, all of the

1 mineral rights?

2 MR. MOFFATT: We hold all the rights to the
3 Tuscarora formation.

4 MEMBER HARTON: Tuscarora. I assume that
5 includes the other formations mentioned in the
6 application, the Oriskany, Newburg, and Tuscarora.

7 MR. WILHOIT: That's on the permit.

8 MEMBER HARTON: The permit application is
9 Oriskany, Newburg, and Tuscarora.

10 MR. WILHOIT: Proposed target formations.

11 MR. MOFFATT: I have not reviewed the
12 agreement recently with Cabot. I don't know what
13 formations were assigned by Cabot to Columbia Natural
14 Resources.

15 MR. WILHOIT: Is it the intent of your
16 application to have this order apply to the Tuscarora
17 Sandstone pool?

18 MR. MOFFATT: Yes, it is.

19 MR. WILHOIT: Those may be listed. But on
20 their proposed target formation, my understanding is
21 that their target formation is the Tuscarora. I think
22 we're limiting this application to that.

1 EX-OFFICIO MEMBER JOHNSTON: What are you
2 going to do, drill the well deeper, or how are you
3 going to separate the gas out of it? Should you amend
4 your application?

5 MR. WILHOIT: The application says Tuscarora
6 but of course then the permit conflicts with that. Do
7 we need to put in an order to cover the O₂ sand?

8 MR. HESSON: I think there's an area out
9 there that has produced out of some shallow sand. This
10 is the-- The intent of this is the Tuscarora.

11 MEMBER HARTON: Well, all three of the sands
12 listed here are within the jurisdiction of the
13 Commission. They're all deep well sands. So I'm just
14 wondering.

15 MR. MOFFATT: My only concern is that we
16 don't have the rights of the other formation, then we
17 can't ask the Commission to have this order apply to
18 those.

19 MEMBER HARTON: That answers my question.

20 MR. LOFLIN: The original order establishing
21 special field rules only applies to the Tuscarora
22 sandstone formation. The six-hundred-and-forty-acre

1 units are required for wells drilled into the Tuscarora
2 sandstone. So any additional formations could possibly
3 be treated as produced and, you know, that will have to
4 be addressed in the permit application. And if you
5 want to amend your permit application and take the
6 Oriskany and Newburg off, certainly you should do that.

7 EX-OFFICIO MEMBER JOHNSTON: Yeah. Because
8 previous royalties will have to be--

9 CHAIRMAN LAY: Brett, I'll address this to
10 you, if that's the case, then really as long as there's
11 no other wells within three-thousand feet, which it
12 appears that there's not, then we wouldn't be in
13 conflict with special field rules if they wanted to
14 take the Newburg or the Oriskany. So it shouldn't be a
15 conflict as long as they have contractual rights that
16 allows them to operate. Then they can take that in the
17 absence of our order irregardless of whether we gave
18 them, as long as they segregate the production from the
19 zones.

20 Okay. Any other questions?

21 MEMBER HARTON: Just so I'm clear, does that
22 mean that the matter we're considering today is

1 inclusive of all three zones mentioned on the permit?

2 CHAIRMAN LAY: I think not. I think it's
3 inclusive only in the Tuscarora.

4 MR. WILHOIT: We're limiting the permit even
5 though the permit is different.

6 We're asking the board for an order
7 involving Tuscarora.

8 MEMBER HARTON: Why don't we just get it all
9 while we're here? I'm trying to understand--

10 MR. MOFFATT: Because we may not need a
11 pooling order with regard to the other formations.

12 CHAIRMAN LAY: Right. You don't need it
13 because there's no special field rules.

14 MEMBER HARTON: Go ahead and ask us for
15 approval so we don't have to do it again later.

16 CHAIRMAN LAY: They don't need it because
17 special field rules don't exist on anything but the
18 Tuscarora.

19 MEMBER HARTON: Okay.

20 CHAIRMAN LAY: Okay. Any other questions?

21 (Pause.)

22 CHAIRMAN LAY: Okay. The members of the

1 Commission will adjourn.

2 MEMBER HARTON: Well, it would be easier for
3 them to adjourn than for us.

4 CHAIRMAN LAY: Off the record, please.

5 (WHEREUPON, a discussion
6 was had off the record.)

7 CHAIRMAN LAY: Back on the record.

8 After deliberation, the Commission
9 has voted to grant the application for forced pooling.
10 We ask that counsel submit to the Commission a draft
11 findings of fact and conclusions of law at his earliest
12 convenience, at which time the Commission will enter a
13 final order.

14 MR. LOFLIN: If you obtain a lease from the
15 Department of Transportation, could you notify us as
16 soon as you are aware of it.

17 CHAIRMAN LAY: Does anyone have anything
18 else to add while we're on the record?

19 MR. WILHOIT: Do you prepare the order or do
20 you want me to do the draft of the order to include the
21 facts and conclusions?

22 CHAIRMAN LAY: Yes. We would like for you

1 to do a draft of an order and we will from that-- A
2 draft order for us to issue a final order.

3 MR. WILHOIT: I certainly will.

4 CHAIRMAN LAY: Thank you very much.

5 MR. WILHOIT: I appreciate your time and
6 consideration.

7 CHAIRMAN LAY: This record is closed.

REPORTER'S CERTIFICATE

I, the undersigned, Janet T. Surface, Stenomask Reporter and Notary Public in and for the State of West Virginia, duly commissioned and qualified, do hereby certify that the foregoing is, to the best of my skill and ability, a true and accurate transcript of the proceedings had and testimony taken in the above-styled hearing on the 22nd day of June, 2001.

I further certify that each of said witnesses testifying in said hearing were duly sworn/affirmed by me to tell the truth.

Given under my hand this the 28th day of June, 2001.

Janet T Surface

Reporter and Notary Public

My commission expires September 21, 2002.

ORIGINAL

BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF WEST VIRGINIA

IN THE MATTER OF THE REQUEST BY COLUMBIA
NATURAL RESOURCES, INC. FOR AN ORDER
POOLING TRACTS AND INTERESTS OF
OPERATORS AND ROYALTY OWNERS IN THE
ABSENCE OF A VOLUNTARY AGREEMENT FOR
THE DEVELOPMENT AND OPERATION OF UNIT
BLOCK 184, IN THE TUSCARORA SANDSTONE
POOL OF THE INDIAN CREEK FIELD, MALDEN
DISTRICT, KANAWHA COUNTY, WEST VIRGINIA.

DOCKET NO. 139

CAUSE NO. 28

EXHIBITS NOS. 1, 2, 3, 4, and 5, entered into evidence
in the above-styled matter heard on Friday, the 22nd
day of June, 2001, at 1:30 p.m..

State of West Virginia
Department of Environmental Protection
OIL AND GAS CONSERVATION COMMISSION
1356 Hansford Street
Charleston, West Virginia 25301
Telephone: 558-6076
Fax: (304)558-6047

Barry K. Lay, Chairman
Michael W. Sinicropi, Member
Denny P. Harton, Member
John H. Johnston, Ex-Officio
Michael O. Callaghan, Ex-Officio

Bob Wise, Governor

**BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF WEST VIRGINIA**

**IN THE MATTER OF THE REQUEST BY COLUMBIA
NATURAL RESOURCES, INC. FOR AN ORDER
POOLING TRACTS AND INTERESTS OF
OPERATORS AND ROYALTY OWNERS IN THE
ABSENCE OF A VOLUNTARY AGREEMENT FOR
THE DEVELOPMENT AND OPERATION OF UNIT
BLOCK 184, IN THE TUSCARORA SANDSTONE
POOL OF THE INDIAN CREEK FIELD, MALDEN
DISTRICT, KANAWHA COUNTY, WEST VIRGINIA.**

DOCKET NO. 139

CAUSE NO. 28

NOTICE OF HEARING

Keith Moffatt, Counsel for Columbia Natural Resources, Inc., by letter dated May 23, 2001, has requested a hearing before the Oil and Gas Conservation Commission to pool certain tracts and interests for the development and operation of Unit Block 184, Indian Creek, Kanawha County, West Virginia.

The hearing is scheduled as stated below:

DATE: June 22, 2001

TIME: 1:30 p.m.

PLACE: Department of Environmental Protection

**1356 Hansford Street, 2nd Floor
Charleston, West Virginia 25301
(304) 558-6076**

IN THE NAME OF THE STATE OF WEST VIRGINIA:

**OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF WEST VIRGINIA**

By: _____

Barry K. Lay
Barry K. Lay, Commissioner

Dated this 24th day of May, 2001, at Charleston, West Virginia.

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SENDER:

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- Complete items 3, 4a, and 4b.
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- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

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2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

4a. Article Number

7099 3400 0018 2240 4212

Lawson W. Hamilton, Jr.
Box 175
Hansford, West Virginia 25103-0175

Article Type

- Registered ☒ Certified
 Registered Mail ☐ Insured
 Receipt for Merchandise ☐ COD

Delivery

5.31.01

5. Received By: (Print Name)

Shirley A. Moore

6. Signature: (Addressee or Agent)

X

Shirley A. Moore

8. Addressee's Address (Only if requested and fee is paid).

|||||

PS Form 3811, December 1994

102595-97-B-0179

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4a. Article Number

7099 3400 0018 2240 4229

Keith Moffatt
Columbia Natural Resources, Inc.
Post Office Box 6070
Charleston, West Virginia 26362-0070

ce Type

tered

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Receipt for Merchandise

f Delivery

Certified

☐ Insured☐ COD

5. Received By: *(Print Name)*

6. Signature: (Addressee or Agent)

X *Perse (Vase)*

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

102595-97-B-0179

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Thank you for using Return Receipt Service.

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DEPARTMENT: _____

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INTERDEPARTMENTAL MAIL

State of West Virginia
Department of Environmental Protection
OIL AND GAS CONSERVATION COMMISSION

1356 Hansford Street
Charleston, West Virginia 25301
Telephone: 558-6076
Fax: (304)558-6047

Barry K. Lay, Chairman
Michael W. Sinicropi, Member
Denny P. Harton, Member
John H. Johnston, Ex-Officio
Michael O. Callaghan, Ex-Officio

Bob Wise, Governor

May 29, 2001

The Charleston Daily Mail
Terry Horne
1001 Virginia Street, East
Charleston, West Virginia 25301

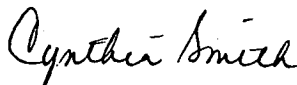
ATTENTION: Legal Ad Department

Please print the enclosed legal document in The Daily Mail, on Thursday, June 7, and again on Thursday, June 14, 2001. The certification and invoice in duplicate should be sent to:

WV Oil and Gas Conservation Commission
Cindy Smith
1356 Hansford Street
Charleston, West Virginia 25301

If you should have any questions you may call me at (304)558-6076.

Sincerely,



Cynthia Smith
Adm. Secretary

encl:

May 23, 2001

Keith E. Moffatt
Senior Attorney

PO Box 6070
Charleston, WV 25362-0070

900 Pennsylvania Avenue
Charleston, WV 25302

DD: 304.353.5165
Fax: 304.353.5231
Email: kmoffatt@nisource.com

Oil and Gas Conservation Commission
1356 Hansford Street
Charleston, WV 25301

Attention: Mr. Brett Loflin

RE: Request by Columbia Natural Resources, Inc.
Docket No. _____
Cause No. _____

Dear Brett:

Enclosed for filing please find the original Application to Pool certain tracts and interests for the development and operation of Unit Block 184, Indian Creek Field, Malden District, Kanawha County, West Virginia, along with Applicant's Exhibits 1 through 3.

It is my understanding that this matter will be placed on the agenda for a hearing before the Oil and Gas Conservation Commission on June 22, 2001.

If you have any questions or need additional information, please do not hesitate to contact me.

Sincerely,


Keith E. Moffatt

KEM/ds

L:\keith\indiancreek\24239.ic8.forcepool.let.doc

BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF WEST VIRGINIA

IN THE MATTER OF THE APPLICATION OF COLUMBIA)
NATURAL RESOURCES, INC. FOR AN ORDER FROM THE)
COMMISSION POOLING TRACTS AND INTERESTS OF)
OPERATORS AND ROYALTY OWNERS IN THE ABSENCE)
OF A VOLUNTARY AGREEMENT FOR THE DEVELOPMENT)
AND OPERATION OF UNIT BLOCK 184 IN THE TUSCARORA)
SANDSTONE POOL OF THE INDIAN CREEK FIELD, MALDEN)
DISTRICT, KANAWHA COUNTY, WEST VIRGINIA, PURSUANT)
TO WEST VIRGINIA CODE 22C-9-7(b), AS AMENDED.)

DOCKET NO. _____

CAUSE NO. _____

APPLICATION

Comes now the Applicant, Columbia Natural Resources, Inc., a corporation, and avers and alleges the following,

1. This Application is filed pursuant to West Virginia Code 22C-9-7(b), as amended.
2. Applicant is an operator within the meaning of West Virginia Code 22C-9-2(4).
3. By Order entered on the 29th day of August, 1979, the Commission established jurisdiction over Applicant's deep well drilling program in the Indian Creek Field, and further established Special Field Rules for the Tuscarora Sandstone Pool of said Field situate in Kanawha County, West Virginia.
4. That said pool and Field have been identified by Exhibits filed in previous Hearings before the Commission and that the drilling units formed in said Field are comprised of six hundred forty (640) acres each.
5. Applicant has filed an application for a drilling permit with the West Virginia Department of Mines, Oil and Gas Division, for the drilling of its proposed Well No. 24239 as more particularly shown and identified on Applicant's Exhibit No. 1, attached hereto and made a part hereof.
6. In compliance with West Virginia Code, 22C-9-7(b)(4), as amended, Applicant has obtained a written Consent and Easement Agreement from the surface owners of the tract of land upon which the proposed well is to be drilled, a certified copy of which is attached hereto and made a part hereof as Applicant's Exhibit No. 2.
7. Applicant has obtained Lease Agreements with voluntary unitization provisions or farmout rights to such leases from over 99% of the royalty owners.
8. Applicant acquired a lease but has been unable to acquire a voluntary unitization agreement from owners of interests in certain designated tracts within Unit Block No. 184, as shown on Applicant's Exhibit No. 3, attached hereto and made a part hereof.
9. To the best of the knowledge of Applicant, no operator other than the Applicant desires to operate Unit Block No. 184.

10. Applicant has contacted the owners of the unleased tracts and ununitized interests for the purpose of obtaining leases or voluntary Unitization Agreements. Applicant has explained the options available to them under state law, but these contacts and attempts have not met with success.


11. Applicant represents that unless an Order is entered by the Commission designating Applicant as operator of Unit Block No. 184 and pooling the interests and tracts of other owners of the oil and gas in place within this unit, the oil and gas within the Tuscarora Formation underlying the tracts within Unit Block No. 184 will not otherwise be produced and developed and that waste will occur as said Block is drained by wells which may be drilled in contiguous units.

12. Applicant respectfully represents that the granting of the relief requested in this Application will:

- (a) Foster, encourage and promote development, production, utilization, and conservation of oil and gas resources;
- (b) Prohibit waste of oil and gas resources;
- (c) Encourage the maximum recovery of oil and gas in Unit Block No. 184;
- (d) Not interfere with the correlative rights of other operators insofar as their interest may be provided for in accordance with West Virginia Code, 22C-9-7(b) as amended; and
- (e) Not interfere with or alter development of the spacing pattern of the total area encompassed within the Special Field Rules.

WHEREFORE, Applicant respectfully requests that the Commission enter an Order designating Applicant as operator of its proposed Well No. 824239 in Unit Block No. 184 at the location designated and shown on Applicant's Exhibit No. 1 filed herewith; pooling the interests and tracts of the unleased and ununitized owners of the oil and gas in place in the Tuscarora Formation in Unit Block No. 184 consistent with and pursuant to the provisions of West Virginia Code, 22C-9-7(b) as amended; and granting the Applicant such other relief, both general and special in nature, as to the Commission seems just and fair.

COLUMBIA NATURAL RESOURCES, INC.
A corporation
By Counsel



KEITH E. MOFFATT
COUNSEL FOR APPLICANT
Columbia Natural Resources, Inc.
P. O. Box 6070
Charleston, West Virginia 25362-0070

- 1) Date: May 11, 2001
2) Operators well number
824239
3) API Number 47 -

EXHIBIT
NO. 5

STATE OF WEST VIRGINIA - BUREAU OF ENVIRONMENT
DIVISION OF ENVIRONMENTAL PROTECTION
OFFICE OF OIL AND GAS

NOTICE OF APPLICATION FOR A WELL WORK PERMIT

- 4) Surface owner(s) to be served:
(a) Name: Lawson W. Hamilton, Jr.
Address: Box 175
Hansford, WV 25103-0175
(b) Name:
Address:
(c) Name:
Address:
- 5) (a) Coal Operator:
Name:
Address:
(b) Coal Owner(s) with Declaration:
Name: Same as Surface
Address:
(c) Coal Lessee with Declaration:
Name:
Address:
- 6) Inspector:
Name: Carlos Hively
Address: 223 Pinch Ridge Road, Elkview, WV 25071
Telephone: (304) 543-0868

TO THE PERSON(S) NAMED ABOVE TAKE NOTICE THAT:

___ Included is the lease or leases or other continuing contract or contracts by which I hold the right to extract oil and gas OR

___ Included is the information required by Chapter 22, Article 6, Section 8(d) of the Code of West Virginia (see page 2).

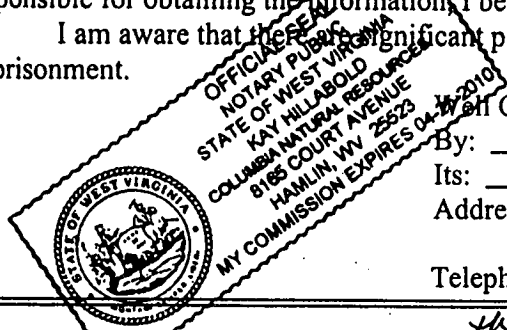
I certify that as required under Chapter 22 of the West Virginia Code I have served copies of this notice and application, a location plat, and accompanying documents pages 1 through ___ on the above named parties, by:

- ___ Personal Service (Affidavit attached)
X Certified Mail (Postmarked postal receipt attached)
___ Publication (Notice of Publication attached)

I have read and understand Chapter 22-6 and 38 CSR 11-18, and I agree to the terms and conditions of any permit issued under this application.

I certify under penalty of law that I have personally examined and am familiar with the information submitted on this application form and all attachments thereto and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate, and complete.

I am aware that there are significant penalties for submitting false information, including the possibility of fine or imprisonment.



By: [Signature] Coal Operator COLUMBIA NATURAL RESOURCES
Its: REGION MANAGER
Address: P. O. Box 6070
Charleston, WV 25362-0070
Telephone: (304) 353-5000

Subscribed and sworn before me this 18th day of May, 2001

My Commission expires APRIL 25, 2010

Notary Public

INFORMATION SUPPLIED UNDER WEST VIRGINIA CODE
Chapter 22, Article 6, Section 8 (d)
IN LIEU OF FILING LEASE(S) AND OTHER CONTINUING CONTRACT(S)

Under the oath required to make the verification on page 1 of this Notice and Application, I depose and say that I am the person who signed the Notice and Application for the Applicant, and that--

- (1) the tract of land is the same tract described in this Application, partly or wholly depicted in the accompanying plat, and described in the Construction and Reclamation Plan;
- (2) the parties and recordation data (if recorded) for leases(s) or other continuing contract(s) by which the Applicant claims the right to extract, produce or market the oil or gas are as follows:

<u>Grantor, lessor, etc.</u>	<u>Grantee, lessee, etc.</u>	<u>Royalty</u>	<u>Book/Page</u>
Lawson W. Hamilton, Jr. Box 175 Hansford, WV 25103-0175	Columbia Natural Resources, Inc.	1/8	65 260

Well Operator: COLUMBIA NATURAL RESOURCES

By: 

Its: Region Manager

STATE OF WEST VIRGINIA
DEPARTMENT OF ENERGY, DIVISION OF OIL AND GAS
WELL WORK PERMIT APPLICATION

- 1) Well Operator: COLUMBIA NATURAL RESOURCES, INC. #10460
- 2) Operators Well Number: 824239 3) Elevation: 1,104'
- 4) Well type: (a) Oil ☐ or Gas ☒
 (b) If Gas: Production ☒ Underground Storage /
 Deep ☒ Shallow ☐
- 5) Proposed Target Formation(s): ORISKANY, NEWBURG, TUSCARORA
- 6) Proposed Total Depth: 6,600'
- 7) Approximate fresh water strata depths: N/A'
- 8) Approximate salt water depths: 775'
- 9) Approximate coal seam depths:
- 10) Does land contain coal seams tributary to active mine? Yes ☐ No ☒
- 11) Proposed Well Work: TO DRILL AND STIMULATE NEW WELL
- 12) CASING AND TUBING PROGRAM

TYPE	SPECIFICATIONS			FOOTAGE INTERVALS		CEMENT
	SIZE	GRADE	WEIGHT PER FT.	FOR DRILLING	LEFT IN WELL	FILL-UP (CU.FT.)
Fresh Water	20					
Salt Water	13 3/8	LS	37#	300	300	208
1 st Intermediate	9 5/8	J	32.3#	1,700	1,700	533
2 nd Intermediate	7	L	23#	5,050	5,050	200
Production	4 1/2	L	13.5#	(as needed)	6,375	170
Tubing	2 3/8	J	4.7	(as needed)		
Liners						

PACKERS: Kind
 Sizes
 Depths set

For Division of Oil and Gas Use Only

☐ Fee(s) paid: ☐ Well Work Permit ☐ Reclamation Fund ☐ WPCP
☐ Plat ☐ WW-9 ☐ WW-2B ☐ Bond (Type) ☐ Agent

West Virginia Division of Environmental Protection
Office of Oil and Gas

NOTICE TO SURFACE OWNERS

The well operator named below is preparing to file for a permit from the state to drill a new well. Before a well work permit can be filed with the Chief of the Office of Oil and Gas, the well operator is required to have given notice of the right to request water well or spring analytical testing. This notice shall be given to the owners or occupants of land which have a water well or spring being utilized for human consumption, domestic animals, or other general use and which is located within 1000 feet of the proposed well site.

With this form, the operator is giving you notice of your right to request analytical testing. The operator is required to sample and analyze the water wells or springs of all owners or occupants who request it. Therefore if you wish to have your water well or spring tested, contact the operator named below.

All sampling shall be completed prior to drilling. Within thirty (30) days of the receipt of such sample analyses the operator shall submit the results to the Chief of the Office of Oil and Gas and to the owners or occupants who may have requested them.

If no water well or spring is located within 1000 feet, the Chief may require the operator to sample and analyze water from a water well or spring within 2000 feet of the proposed well site.

Be advised, you have the right to sample and analyze any water supply at your own expense.

The laboratory used by the operator to analyze the samples will be approved by the Chief. The operator named below has decided to use the following laboratory to analyze the water samples:

 X Contractor Name Reic Labs or Sturm Labs

 Well operators private laboratory

Well Operator COLUMBIA NATURAL RESOURCES

Address P. O. BOX 6070
CHARLESTON, WV 25362-0070

Telephone (304) 353-5000

FOR OPERATORS USE ONLY: Below, or on an attached page, list those persons which were given this notice. Place an asterisk beside the one(s) that contacted you and requested sampling and analyses. If there were no requests made, indicate by underlining which one you have selected to sample and analyze. If there are not water wells or springs within 1000 feet of the proposed site please indicate such.

WELL # 824239 - See Attached

NOTICE

**WATER TESTING
COLUMBIA NATURAL RESOURCES, INC. WELL NO. 24239**

NO WATER SOURCE IDENTIFIED WITHIN 1000' OF THE ABOVE PROPOSED WELL SITE.

**TRUE LINE SURVEYING, INC.
6211 FAIRVIEW DRIVE
HUNTINGTON, WV 25705**

08-31-00

RECEIVED
SEP 18 2000

K. L. MCINTOSH

STATE OF WEST VIRGINIA
DIVISION OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS
CONSTRUCTION AND RECLAMATION PLAN AND SITE REGISTRATION APPLICATION FORM
GENERAL PERMIT FOR OIL AND GAS PIT WASTE DISCHARGE

Operator Name COLUMBIA NATURAL RESOURCES, INC. OP Code 10460

Watershed SPRING BRANCH OF KANAWHA RIVER Quadrangle CHARLESTON EAST, WV

Elevation 1,104' County KANAWHA District MALDEN

Description of anticipated Pit Waste: DRILLING AND COMPLETION FLUIDS

Will a synthetic liner be used in the pit? YES

Proposed Disposal Method for treated Pit Wastes:

- ☒ Land Application
☐ Underground Injection (UIC Permit Number _____)
☐ Reuse (at API Number _____)
☐ Off Site Disposal (Supply form WW-9 for disposal location)
☐ Other (Explain _____)

Proposed Work for Which Pit Will Be Used:

- ☒ Drilling _____ Swabbing
☐ Workover _____ Plugging
☐ Other (Explain _____)

I certify that I understand and agree to the terms and conditions of the GENERAL WATER POLLUTION PERMIT issued on June 14, 1994, by the Office of Oil and Gas of the West Virginia Division of Environmental Protection. I understand that the provisions of the permit are enforceable by law. Violations of any term or condition of the general permit and/or other applicable law or regulation can lead to enforcement action.

I certify under penalty of law that I have personally examined and am familiar with the information submitted on this application form and all attachments thereto and that, based on my inquiry of those individuals immediately responsible for obtaining The information, I believe that the information is true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine or imprisonment.

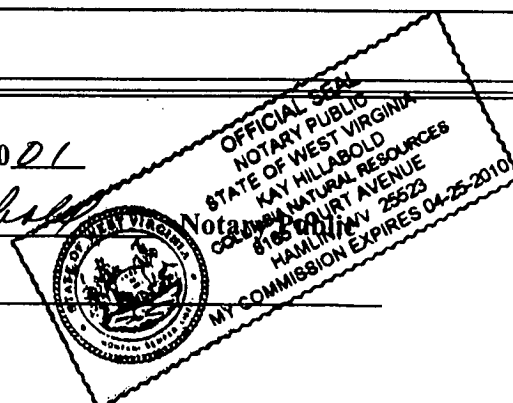
Company Official Signature 

Company Official (Typed Name) DAVID GOCKE

Company Official Title Region Manager

Subscribed and sworn before me this 18th day of May, 2001

My Commission expires APRIL 25, 2010



CHARLESTON EAST, QUAD

LAWSON W. HAMILTON, JR.

ROAD GRADES

G 1 +5% -2,097'	G23 - 2% - 933'
G 2 +12% - 156'	G24 + 5% - 181'
G 3 + 7% - 225'	G25 - 1% - 628'
G 4 +14% - 232'	G26 + 4% - 231'
G 5 - 7% - 316'	G27 + 2% - 72'
G 6 + 7% - 255'	G28 - 8% - 227'
G 7 +12% - 213'	G29 + 2% - 206'
G 8 - 8% - 129'	G30 - 3% - 162'
G 9 + 9% - 358'	G31 - 6% - 125'
G10 +14% - 310'	G32 + 5% - 150'
G11 + 2% - 448'	G33 - 7% - 103'
G12 +14% - 336'	G34 + 4% - 143'
G13 + 4% - 639'	G35 + 3% - 371'
G14 +15% - 722'	G36 - 7% - 127'
G15 + 5% - 280'	G37 + 5% - 169'
G16 +16% - 195'	G38 - 6% - 179'
G17 + 9% - 530'	G39 +10% - 125'
G18 - 4% - 67'	G40 - 3% - 246'
G19 +12% - 54'	G41 -15% - 138'
G20 - 6% - 187'	G42 + 7% - 158'
G21 + 1% - 159'	G43 - 6% - 236'
G22 - 6% - 136'	G44 + 9% - 79'
	G45 0% - 96'

DRAWING LEGEND

PROPERTY BOUNDARY	=====	DIVERSION	=====
ROAD	=====	SPRING	=====
EXISTING FENCE	-----	WET SPOT	=====
PLANNED FENCE	-----	DRAIN PIPE W/SIZE IN INCHES	=====
STREAM	-----	WATER WAY	=====
OPEN DITCH	-----	CROSS DRAIN	=====
ROCK	=====	ARTIFICIAL FILTER STRIP	=====
NORTH	=====	PIT: CUT WALLS	=====
BUILDINGS	=====	PIT: COMPACTED FILL WALLS	=====
WATER WELLS	=====	AREA FOR LAND APPLICATION OF PIT WASTE	=====
DRILL SITE	=====		

GENERAL NOTES

THIS DRAWING IS A SCHEMATIC REPRESENTATION OF THE PROPOSED WELL SITE AND ACCESS ROAD. PROPOSED STRUCTURES SUCH AS WELL SITE, DRILLING PIT, ROADWAYS, CULVERTS, SEDIMENT BARRIERS ETC. ARE SHOWN IN APPROXIMATE PRE-PLANNING CONFIGURATIONS. GIVEN UNFORESEEN CIRCUMSTANCES, THE AS-BUILT LOCATION OF THESE STRUCTURES MAY VARY SLIGHTLY FROM THE LOCATIONS SHOWN ON THIS DRAWING.

ALL CULVERTS SHOWN ON THIS PLAN ARE PROPOSED AND WILL BE A MINIMUM OF 12" IN DIAMETER UNLESS OTHERWISE SPECIFIED.

BRUSH REMOVED BY CLEARING AND GRUBBING ACTIVITIES WILL BE CUT AND WINDROWED BELOW THE OUT SLOPE OF CONSTRUCTION AREAS. ALL TIMBER 6" DBH WILL BE CUT AND STACKED. NO ROCK OR FILL MATERIAL TO BE DISPLACED OFF-SITE.

DITCH LINES AND CULVERTS WILL BE INSTALLED WHENEVER PRACTICAL, HOWEVER PORTIONS OF THE EXISTING/PROPOSED ROADS WHICH ARE LOCATED IN SOLID ROCK SHALL NOT REQUIRE DITCHES OR CROSS DRAINS, UNLESS OTHERWISE WARRANTED BY FIELD CIRCUMSTANCES.

SUPPLEMENTAL DRAINAGE AND/OR SEDIMENT CONTROL MEASURES IN ADDITION TO THOSE SHOWN ON THIS PLAN WILL BE INSTALLED WHEN AND WHERE DEEMED NECESSARY. THE ADDITIONAL MEASURES MAY CONSIST OF STRAW BALES, SILT FENCES, OR OTHER MEASURES AS OUTLINED IN THE EROSION AND SEDIMENT CONTROL FIELD MANUAL.

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CROSS DRAINS OR WATERBARS WILL BE INSTALLED AS AN INTEGRAL PART OF THE RECLAMATION PROCESS AND SHALL BE SPACED IN ACCORDANCE WITH THE AS-BUILT ROADWAY SLOPES AND TABLE 11-4 OF THE EROSION AND SEDIMENT CONTROL FIELD MANUAL.

COLUMBIA NATURAL RESOURCES, INC.
900 PENNSYLVANIA AVE.
POST OFFICE BOX 6070, CHARLESTON, WV 25362

RECLAMATION PLAN
PROPOSED LOCATION 824239

SPRING BRANCH OF KANAWHA RIVER
MALDEN DIST., KANAWHA CO., WV

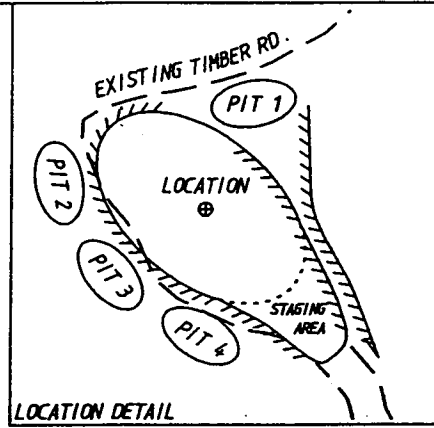
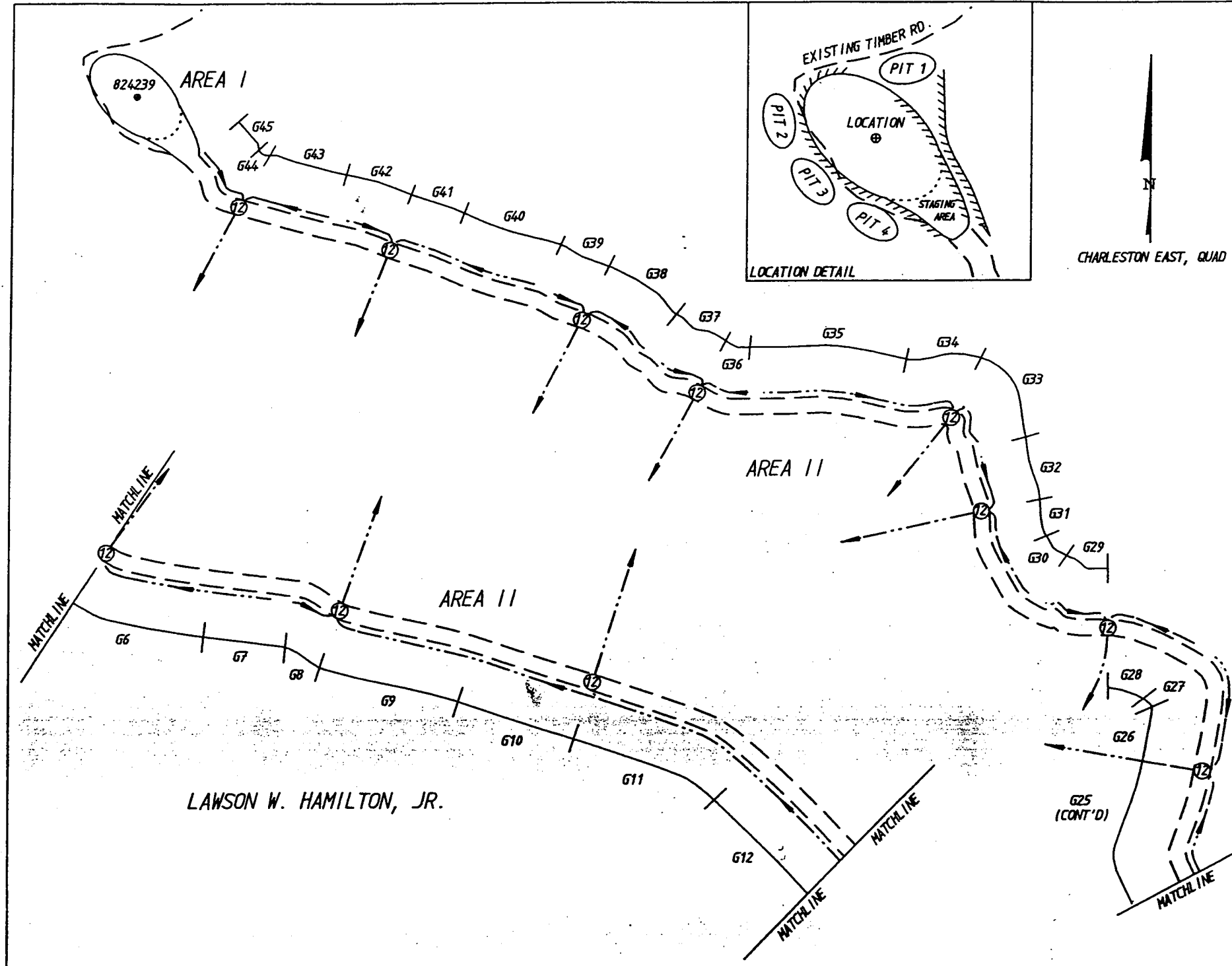
DATE: 08/08/00 SCALE: DRAWING NO. 1 OF 3
PREPARED BY: TRUE LINE SURVEYING, INC. FILE: CNR24239(1C-8)REC.DGN

NOTE:
G1 THRU G4 EXISTING
DRAINAGE IN PLACE

2710' OF EXISTING PROPERTY ACCESS ROAD TO BE UPGRADED
4798' OF EXISTING ACCESS ROAD TO BE UPGRADED
+ 5621' OF EXISTING TIMBER ROAD TO BE UPGRADED
13,129' TOTAL

2 MI. TO RD. INT.
OF 60/13 & RT. 60

60
13



DRAWING LEGEND			
PROPERTY BOUNDARY	---	DIVERSION	|||||
ROAD	==	SPRING	☀
EXISTING FENCE	-*-	MET SPOT	⊙
PLANNED FENCE	-/-	DRAIN PIPE W/SIZE IN INCHES	12
STREAM	~	WATER WAY	→
OPEN DITCH	- - -	CROSS DRAIN	|||||
ROCK	■	ARTIFICIAL FILTER STRIP	|||||
NORTH	↑	PIT: CUT WALLS	○
BUILDINGS	□	PIT: COMPACTED FILL WALLS	○
WATER WELLS	⊕	AREA FOR LAND APPLICATION OF PIT WASTE	●
DRILL SITE	⊕		

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LAWSON W. HAMILTON, JR.

COLUMBIA NATURAL RESOURCES, INC.
900 PENNSYLVANIA AVE.
POST OFFICE BOX 6070, CHARLESTON, WV 25362

RECLAMATION PLAN
PROPOSED LOCATION 824239

SPRING BRANCH OF KANAWHA RIVER
MALDEN DIST., KANAWHA CO., WV

DATE: 08/08/00	SCALE:	DRAWING NO. 2 OF 3
PREPARED BY: TRUE LINE SURVEYING, INC.	FILE: CNR24239(1C-8)REC.DGN	

CHARLESTON EAST, QUAD

LAWSON W. HAMILTON, JR.

LAWSON W. HAMILTON, JR.

AREA 11

DRAWING LEGEND

PROPERTY BOUNDARY	=====	DIVERSION	=====
ROAD	==	SPRING	○
EXISTING FENCE	- - - - -	WET SPOT	☼
PLANNED FENCE	- / - / - / -	DRAIN PIPE W/SIZE IN INCHES	12
STREAM	~~~~~	WATER WAY	→
OPEN DITCH	- - - - -	CROSS DRAIN	=====
ROCK	■	ARTIFICIAL FILTER STRIP	=====
NORTH	↑	PIT: CUT WALLS	○
BUILDINGS	□	PIT: COMPACTED FILL WALLS	○
WATER WELLS	⊕	AREA FOR LAND APPLICATION OF PIT WASTE	●
DRILL SITE	⊕		

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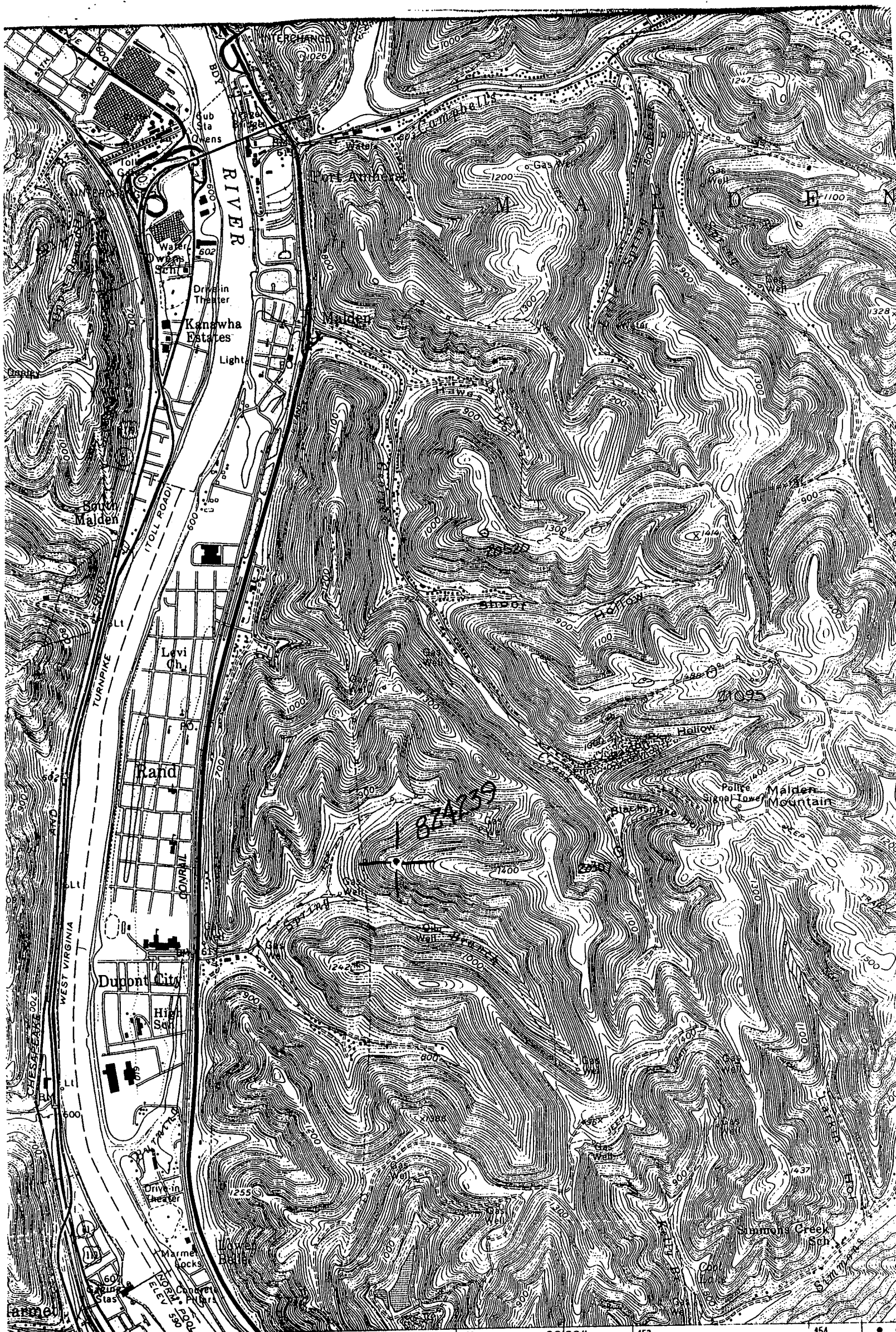
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COLUMBIA NATURAL RESOURCES, INC.
900 PENNSYLVANIA AVE.
POST OFFICE BOX 6070, CHARLESTON, WV 25362

RECLAMATION PLAN
PROPOSED LOCATION 824239

SPRING BRANCH OF KANAWHA RIVER
MALDEN DIST., KANAWHA CO., WV

DATE:	08/08/00	SCALE:	DRAWING NO. 3 OF 3
PREPARED BY:	TRUE LINE SURVEYING, INC.	FILE:	CNR24239(1C-8)REC.DGN



CHANGE 6.2 MI.
CHANGE 46 MI.

SCALE 1:24 000

1 MILE

0 1000 2000 3000 4000 5000 6000 7000 FEET

0 5 1 KILOMETER

CONTOUR INTERVAL 20 FEET

HERNSHAW 3.5 MI.

(BELLE) 4660 II NE

452 32130" 453 454

Hea
Med

CERTIFICATE OF CONSENT AND EASEMENT

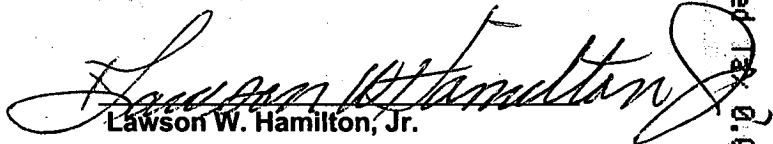
This Certificate of Consent and Easement, made and entered into this **15** day of **May, 2001**, by and between **Lawson W. Hamilton, Jr.** (hereinafter "Grantor(s)"), and **Columbia Natural Resources, Inc.**, a Texas corporation (hereinafter "CNR").

That in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Grantor(s), being sole owner/all the owners of the surface of that certain lot, tract or parcel of land located in **Malden District, Kanawha County, State of West Virginia**, shown on the Well Location Plat, dated **August 31, 2000**, attached hereto and made a part hereof, hereby consent and grant an easement, pursuant to West Virginia Code, Section 22C-9-7(B)(4) and Operating Rule 4.4 of the Rules and Regulations of the West Virginia Oil and Gas Conservation Commission, to CNR, its successors or assigns, for the drilling and operation of a deep well for the production of oil or gas at the location shown on the attached Well Location Plat, with ingress and egress to and from the same.

This agreement may be executed in one or more counterparts, each of which shall be deemed original, and all of which together shall constitute one and the same instrument. If for any reason, any party named herein fails to execute this contract, it shall nevertheless, be binding upon the signing parties.

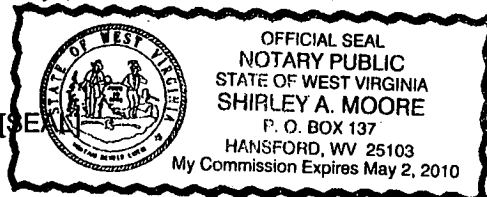
DECLARATION OF CONSIDERATION OF VALUE: Grantor(s) does (do) hereby declare that this document is exempt from excise tax on the privilege of transferring real estate for the following reason: The value of the property transferred by this document is less than One Hundred Dollars (\$100.00).

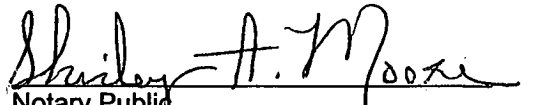
WITNESS the following signatures:


Lawson W. Hamilton, Jr.

STATE OF **West Virginia**,
COUNTY OF **KANAWHA**, TO-WIT:

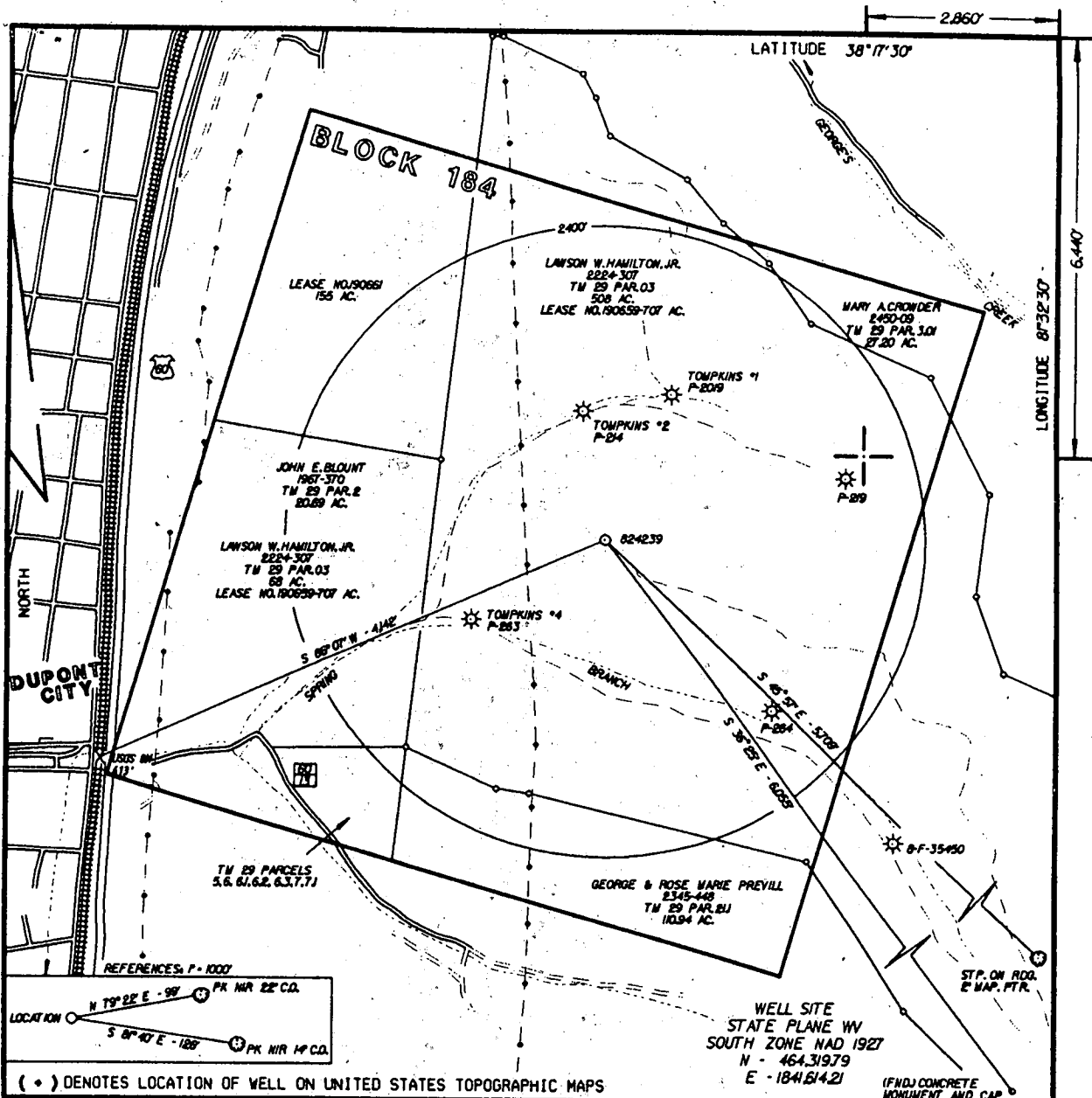
Taken, subscribed and sworn to before me by the said **Lawson W. Hamilton, Jr.** this 18 day of May, 2001.




Notary Public
My commission expires: May 2, 2010

This instrument prepared by:
Mary Sue Schulberg, Esq.
Columbia Natural Resources, Inc.
P. O. Box 6070
Charleston, WV 25362-0070

Recorded In DEED BK 2526 Pg 83, 05/21/2001 02:21:00 P.Deed Tax 0.00, Recording Fee 4.50, TOTAL 4.50
Alma Y. Kins, County Clerk, Kanawha County, WV



FILE NO. CNR24239(C-8) DGN
 DRAWING NO. CNR 824239
 SCALE 1"=1000'
 MINIMUM DEGREE OF ACCURACY 1:200
 PROVEN SOURCE OF ELEVATION USGS BM (613)
442' +/- SW OF LOCATION

I THE UNDERSIGNED, HEREBY CERTIFY THAT THIS PLAT IS CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF AND SHOWS ALL THE INFORMATION REQUIRED BY LAW AND THE REGULATIONS ISSUED AND PRESCRIBED BY THE DEPARTMENT OF ENVIRONMENTAL PROTECTION.

(SIGNED) [Signature]
 R.P.E. 647 L.L.S. 647

PLACE SEAL HERE

STATE OF WEST VIRGINIA
 DIVISION OF ENVIRONMENTAL PROTECTION
 OIL AND GAS DIVISION



DATE AUGUST 31, 20 00
 OPERATOR'S WELL NO. 824239
 API WELL NO. 47 039
 STATE 47 COUNTY 039 PERMIT

WELL TYPE: OIL X GAS X LIQUID INJECTION X WASTE DISPOSAL X
 (IF 'GAS,') PRODUCTION X STORAGE X DEEP X SHALLOW X

LOCATION: ELEVATION 1104' WATER SHED SPRING BRANCH OF KANAWHA RIVER
 DISTRICT NALDEN COUNTY KANAWHA
 QUADRANGLE CHARLESTON EAST, WV T.5

SURFACE OWNER LAWSON W. HAMILTON, JR. ACREAGE 508
 OIL & GAS ROYALTY OWNER LAWSON W. HAMILTON, JR. LEASE ACREAGE 707
 LEASE NO. 1190659

PROPOSED WORK: DRILL X CONVERT X DRILL DEEPER X REDRILL X FRACTURE OR
 STIMULATE X PLUG OFF OLD FORMATION X PERFORATE NEW
 FORMATION X OTHER PHYSICAL CHANGE IN WELL (SPECIFY) X

PLUG AND ABANDON X CLEAN OUT AND REPLUG X
 TARGET FORMATION COLUMBIA NATURAL RESOURCES, INC. ESTIMATED DEPTH SAFE
 WELL OPERATOR COLUMBIA NATURAL RESOURCES, INC. DESIGNATED AGENT W.A. WATSON, JR.
 ADDRESS P.O. BOX 6070, CHARLESTON, WV 25362 ADDRESS SAFE



ALMA Y. KING, Clerk
 I have this is a true copy from the original
 Issued: ALMA Y. KING, Clerk
 Kanawha County Commission
 Date 5-21-01 By Sammy Townsend

EXHIBIT NO. 3

<u>Lease No.</u>	<u>Name</u>	<u>Acreage Leased without Unitization/Modification Agreement</u>	<u>Interest In Unit</u>	<u>Unleased Acreage</u>
1190660-000	Kinlaw H. Richardson and Rosalie M. Richardson, his wife 1052 Springdale Road Hurricane, WV 25526 Phone (304) 757-7965	0.229	0.0358%	
1190660-000	Bevil L. Holstine and Betty Holstine, his wife 152 Burning Springs Road Belle, WV 25015 Phone (304) 925-0004	0.851	0.1329%	
1190660-000	Larry Gene Dodson and Nancy L. Dodson, his wife 124 Burning Springs Road Belle, WV 25015 Phone (304) 925-5434	0.116	0.0181%	
1190661-000	WV Dept. of Transportation Building 5, Room 109 1900 Kanawha Boulevard, East Charleston, WV 25305 Phone (304) 558-0444	0.960	0.1500%	
No Lease	WV Dept. of Transportation Building 5, Room 109 1900 Kanawha Boulevard, East Charleston, WV 25305 Phone (304) 558-0444		0.6250%	4.0
Total		<u>2.156</u>	<u>0.9618%</u>	<u>4.0</u>

REVISED EXHIBIT NO. 3

<u>Lease No.</u>	<u>Name</u>	<u>Acreage Leased without Unitization/Modification Agreement</u>	<u>Interest In Unit</u>	<u>Unleased Acreage</u>
1190660-000	Kinlaw H. Richardson and Rosalie M. Richardson, his wife 1052 Springdale Road Hurricane, WV 25526 Phone (304) 757-7965	0.229	0.0358%	
1190660-000	Bevil L. Holstine and Betty Holstine, his wife 152 Burning Springs Road Belle, WV 25015 Phone (304) 925-0004	0.851	0.1329%	
1190660-000	Larry Gene Dodson and Nancy L. Dodson, his wife 124 Burning Springs Road Belle, WV 25015 Phone (304) 925-5434	0.116	0.0181%	
1190661-000	WV Dept. of Transportation Building 5, Room 109 1900 Kanawha Boulevard, East Charleston, WV 25305 Phone (304) 558-0444	0.960	0.1500%	
No Lease	WV Dept. of Transportation Building 5, Room 109 1900 Kanawha Boulevard, East Charleston, WV 25305 Phone (304) 558-0444		1.4641%	9.37
Total		2.156	1.8009%	9.37

EXHIBIT NO. 4

Force Pool Shown in Red

Kinlaw H. Richardson
and Rosalie Richardson
1052 Springdale Road
Hurricane, WV 25526

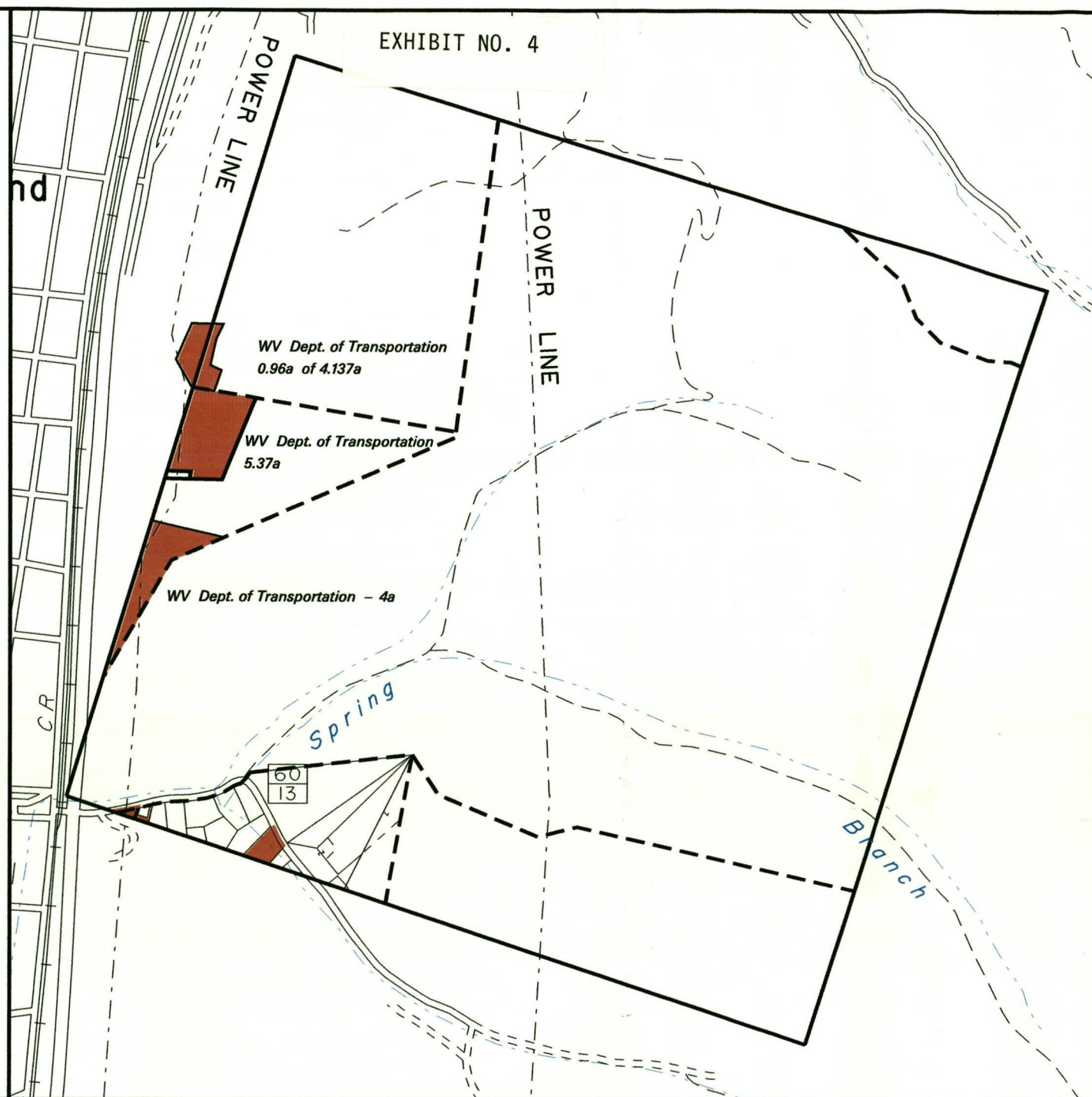
Bevil L. Holstine
and Betty Holstine
152 Burning Springs Road
Belle, WV 25015

Larry Gene Dodson
and Nancy L. Dodson
124 Burning Springs Road
Belle, WV 25015

WV Dept. of Transportation
1334 Smith Street
Charleston, WV 25301

% Mike Johnson

Larry Gene Dodson
and Nancy L. Dodson 0.116a
Bevil L. Holstine
and Betty Holstine 0.851a
Kinlaw H. Richardson
and Rosalie M. Richardson 0.229a



Unit for Well No. 824239

NOTICE

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Columbia expressly disclaims responsibility for any action, activity or decision undertaken by a third party on the basis of the information depicted on this map/plat.

Call or write :

MANAGER, TECHNICAL SERVICES
COLUMBIA NATURAL RESOURCES, INC.
P.O. BOX 6070
CHARLESTON, WV 25362-0070
(304) 353-5000

Columbia
Natural
ResourcesSM

A Columbia Energy Group Company

Quadrangle: Charleston East, WV Technician: CNR0080
Scale: 1"=1000' Plot Date: 20-JUN-2001

G:\MiscExhibitsComposites\Ken Tallman\824239b.bor

AUTHORIZATION FOR EXPENDITURE

WELL NO. 824239
 MISCELLANEOUS ASSIGNMENT #
 TWP/Dis. MALDEN DISTRICT
 Est. Start Date 05/30/2001
 Formation TUSCARORA
 Region Southeast
 Prospect/Field INDIAN CREEK
 Net Rev Interest 0%

BUDGET NO.
 County KANAWHA
 Est. Compl. Date 08/30/2001
 Lease(Name-No.Co.) Nellie Tompkins
 Operator COLUMBIA NATURAL RESOURCES INC
 Updated By CNR0143
 Working Int. 100%

AFE NO.
 State WV
 Est. T.D. 6325

Update Dt 05/17/2001
 Description & Justification Development/PUD

INTANGIBLES

Cost Category	Unit Amt	Unit	Cost	Unit	Dry Hole	Completion	Total	Net
CONTRACT DRILLING	0		0	-	0	0	0	0
Contract Day Work Drilling	20		9500	-	190000	0	190000	190000
Contract Day Work Log/Perf/Comp/Coring	5		7500	-	37500	0	37500	37500
Contract Day Work Other	1		5000	-	5000	0	5000	5000
Company Labor				-	3500	3500	7000	7000
Road and Location (Inc. Reclamation and Damage)				-	45000	10000	55000	55000
Trucking and Hauling				-	10000	8000	18000	18000
Rental Of Equipment				-	5000	5000	10000	10000
Service Rig	10		2000	-	0	20000	20000	20000
Cementing Material and Services				-	35000	15000	50000	50000
Logging				-	15000	3000	18000	18000
Perforating				-	0	4000	4000	4000
Stimulating				-	0	50000	50000	50000
Other Contract Services				-	5000	3000	8000	8000
Personal and Travel Expenses				-	1000	1000	2000	2000
Company Equipment and General Tools				-	500	500	1000	1000
Permits and Surveys				-	5000	0	5000	5000
Drilling Bits				-	42000	0	42000	42000
Mud and Chemicals				-	20000	3000	23000	23000
Other Expendables				-	2500	2500	5000	5000
Land and Lease Costs/Abstracts				-	10000	0	10000	10000
Overheads/Labor				-	3000	2000	5000	5000
TOTAL INTANGIBLES					435000	130500	565500	565500

TANGIBLES

Cost Category	Length	Size	Weight	Gr.	Price	Dry Hole	Completion	Total	Net
Casing 1	30	20	0		24.04	721	0	721	721
Casing 2	300	13 3/8	37		11.26	3378	0	3378	3378
Casing 3	1700	9 5/8	32.3		10.1	17170	0	17170	17170
Casing 4	5050	7	23	L	12.75	64388	0	64388	64388
Casing 5	6375	4 1/2	13.5	L	6.75	0	43031	43031	43031
Casing 6	0	0	0		0	0	0	0	0
Tubing	6375	2 3/8	4.7	J	2.24	0	14280	14280	14280
Wellhead Assembly						10000	45000	55000	55000
Surface Equipment - gas						0	5000	5000	5000
Surface Equipment - oil						0	0	0	0
Downhole Equipment						2000	1000	3000	3000
Non-Controllable Equipment						2000	1000	3000	3000
TOTAL TANGIBLES						99657	109311	208968	208968
TOTAL WELL COST						534657	239811	774468	774468
Well Line Costs						0	10000	10000	10000
Meter Costs						0	8000	8000	8000
Other Costs						0	15000	15000	15000
TOTAL LINE AND MEASUREMENT COST						0	33000	33000	33000
TOTAL PROJECT COST						534657	272811	807468	807468

APPROVAL _____ DATE / /

APPROVAL _____ DATE / /

JOINT INTEREST APPROVAL

COMPANY NAME _____ APPROVAL _____ DATE / /

Net Revenue Interest % _____ Working Interest % _____ Cost Interest % _____

REVISED EXHIBIT NO. 3

<u>Lease No.</u>	<u>Name</u>	<u>Acreage Leased without Unitization/Modification Agreement</u>	<u>Interest In Unit</u>	<u>Unleased Acreage</u>
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1190660-000	Bevil L. Holstine and Betty Holstine, his wife 152 Burning Springs Road Belle, WV 25015 Phone (304) 925-0004	0.851	0.1329%	
1190660-000	Larry Gene Dodson and Nancy L. Dodson, his wife 124 Burning Springs Road Belle, WV 25015 Phone (304) 925-5434	0.116	0.0181%	
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Kinlaw H. Richardson
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Hurricane, WV 25526

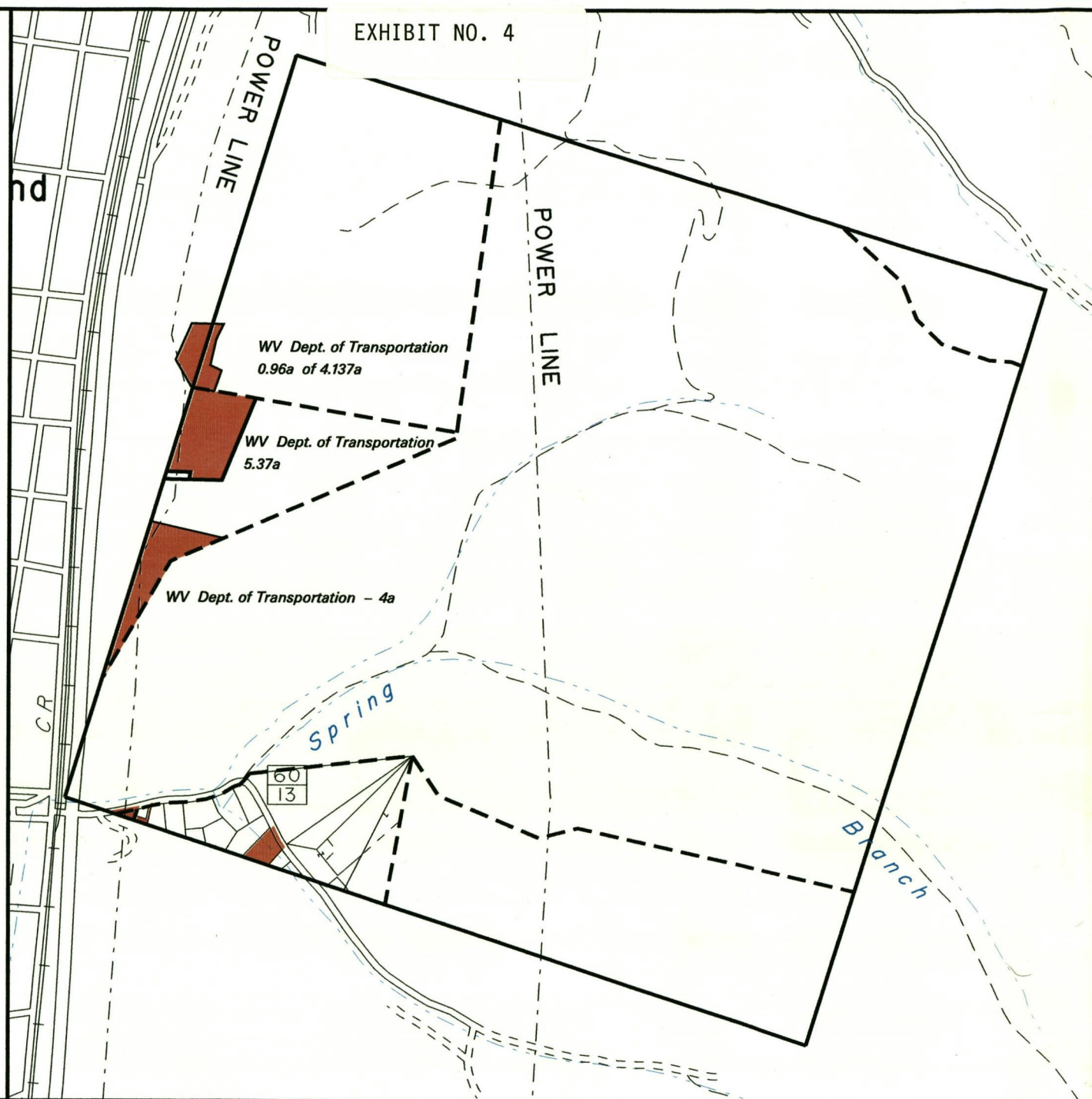
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WV Dept. of Transportation
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% Mike Johnson

Larry Gene Dodson
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and Betty Holstine 0.851a
Kinlaw H. Richardson
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Unit for Well No. 824239

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MANAGER, TECHNICAL SERVICES
COLUMBIA NATURAL RESOURCES, INC.
P.O. BOX 6070
CHARLESTON, WV 25362-0070
(304) 353-5000

Columbia
Natural
Resources SM

A Columbia Energy Group Company

Quadrangle: Charleston East, WV
Scale: 1" = 1000'

Technician: CNR0080
Plot Date: 20-JUN-2001

G:\MiscExhibitsComposites\Ken Tallman\824239b.bor

AUTHORIZATION FOR EXPENDITURE

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 MISCELLANEOUS ASSIGNMENT #
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BUDGET NO.
 County KANAWHA
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 Lease(Name-No.Co.) Nellie Tompkins
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 Updated By CNR0143
 Working Int. 100%

AFE NO.
 State WV
 Est. T.D. 6325

Update Dt 05/17/2001
 Description & Justification Development/PUD

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Company Labor				-	3500	3500	7000	7000
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Trucking and Hauling				-	10000	8000	18000	18000
Rental Of Equipment				-	5000	5000	10000	10000
Service Rig	10		2000	-	0	20000	20000	20000
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Logging				-	15000	3000	18000	18000
Perforating				-	0	4000	4000	4000
Stimulating				-	0	50000	50000	50000
Other Contract Services				-	5000	3000	8000	8000
Personal and Travel Expenses				-	1000	1000	2000	2000
Company Equipment and General Tools				-	500	500	1000	1000
Permits and Surveys				-	5000	0	5000	5000
Drilling Bits				-	42000	0	42000	42000
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APPROVAL _____ DATE / /

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JOINT INTEREST APPROVAL

COMPANY NAME _____ APPROVAL _____ DATE / /

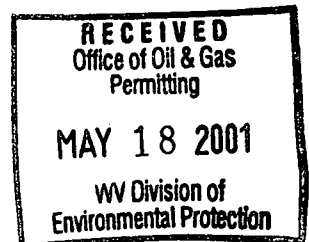
Net Revenue Interest % _____ Working Interest % _____ Cost Interest % _____

**DECLARATION-NOTICE OF UNITIZATION
WELL 824239**

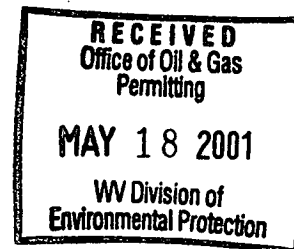
TO:

Larry H. Gignilliat	)	LEASE NO. 1190661-000
Kanawha Valley Advertising Company	)	LEASE NO. 1218460-000
Margaret H. Blount	)	LEASE NO. 1217093-000
Lawson W. Hamilton, Jr.	)	LEASE NO. 1190659-000
Georges Creek Investments, Ltd c/o John R. Shrewsbury	)	LEASE NO. 1021661-000
H. R. Smith	)	LEASE NO. 1190660-000
Glenn Youell and Una Irene Youell, his wife	)	LEASE NO. 1190660-000
Jesse F. Strickland Jr. and Sharon Lynn Strickland, his wife	)	LEASE NO. 1190660-000
Robert A. Stewart, Jr. and Cindy S. Stewart, his wife	)	LEASE NO. 1190660-000
Helen Stewart	)	LEASE NO. 1190660-000
Victoria Ruth Bryant and Thomas A. Bryant, her husband	)	LEASE NO. 1190660-000
Dennis D. Ferrell and Joan F. Ferrell, his wife	)	LEASE NO. 1190660-000
Calder Edward Tolley and Helen Elizabeth Tolley, his wife	)	LEASE NO. 1190660-000
Linda Stowers Bouvette	)	LEASE NO. 1190660-000
Rexal L. Stowers and Alma J. Stowers, his wife	)	LEASE NO. 1190660-000
Violet Marie Canter	)	LEASE NO. 1190660-000
Carolyn Beth Murdock	)	LEASE NO. 1190660-000
Richard H. Stowers and Jeanna F. Stowers, his wife	)	LEASE NO. 1190660-000

FOR
Rob



Larry Gene Dodson and Nancy L. Dodson, his wife	)	FORCE POOL Lease No. 1190660-000
Kinlaw H. Richarson and Rosalie M. Richarson, his wife	)	FORCE POOL Lease No. 1190600-000
Bevil L. Holstine and Betty Holstine, his wife	)	FORCE POOL Lease No. 1190600-000
George C. Previll and Rosemarie O. Previll, his wife	)	LEASE NO. 1217644-000
West Virginia Department of Transportation	)	FORCE POOL No Lease



FROM:

Columbia Natural Resources, Inc.
P. O. Box 6070
Charleston, WV 25362-0070

NOTICE is hereby given that **COLUMBIA NATURAL RESOURCES, INC.**, a Texas Corporation, has pooled and unitized the gas leasehold estates, inclusive of carbon dioxide, in the Tuscarora Sand (Clinton) Formation in the following described deed and leases situate in Malden District, Kanawha County, West Virginia, to form a drilling unit containing Six Hundred Forty and No/100 (640.00) acres, more or less, for the production of the gas, to-wit:

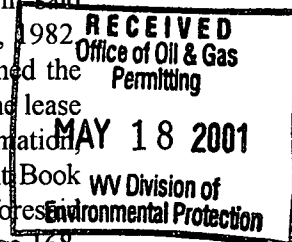
TRACT 1 – Lease No. 1190661-000 – 81.87 acres, more or less, being part of the premises covered by Lease No. 1190661-000, granted by Plus R. Levi et ux to Godfrey L. Cabot, Inc. dated February 1, 1935, covering a tract of land containing 155 acres, more or less, and recorded in the Office of the Clerk of the County Commission of Kanawha County, West Virginia, in Lease Book 65, at page 133, and re-recorded in Lease Book 65, at page 297. By Partial Assignment dated May 7, 1982, Cabot Oil and Gas Corporation (successor in title to Godfrey L. Cabot, Inc.) assigned the aforesaid leasehold estate to Columbia Gas Transmission Corporation, said Partial Assignment is recorded as aforesaid in Assignment Book 96, at page 400; said Partial Assignment was amended by agreement between the aforementioned parties dated June 27, 1983, and recorded as aforesaid in Assignment Book 98, at page 168. By deed dated June 30, 1943, the said Plus R. Levi, et ux conveyed unto Charles William Dabney et ux a certain tract of land containing 21.70 acres (which is within the bounds of the 155 acre lease) as well as 21.70/155 part of the gas royalty from the gas produced on the said 155 acre tract; said Deed being recorded in the aforesaid Clerk's Office in Deed Book 645, at page 383. Plus R. Levi, also known as Noyes R. (Plus) Levi, died testate on November 2, 1965, and by his Last Will and Testament with Codicil attached, and recorded in Will Book 189, at page 546, devised the residue of his estate, inclusive of the oil

and gas in place, to Noyes Rand, who by Supplemental Agreement dated November 16, 1983, supplemented the said lease to include the production and development from the Tuscarora Sand (Clinton) Formation in, on and underlying said leased premises; said Supplemental Agreement being recorded as aforesaid in Lease Book 221, at page 240. Ann Colcord North et vir and North Park, Inc. are the successors to Charles W. Dabney, et ux and by Supplemental Agreements between Anne Colcord North et vir, North Park, Inc. and North Park, Inc. and Columbia Gas Transmission Corporation dated March 14, 1984, March 14, 1984, and March 14, 1984, and recorded as aforesaid in Lease Book 223, at pages 223, 201 and 212, respectively, supplemented the said lease to include the production and development from the Tuscarora Sand (Clinton) Formation.

TRACT 2 – Lease No. 1218460-000 – 5.87 acres, more or less, being part of the premises covered by Lease 1218460-000, granted by Kanawha Valley Advertising Company to Columbia Natural Resources, Inc., dated June 15, 2000, and recorded in the office of the Clerk of the County Commission of Kanawha County, West Virginia, in Lease Book 246, at page 855.

TRACT 3 – Lease No. 1217093-000 – 20.96 acres, more or less, being part of the premises covered by Lease No. 1217093-000 granted by Margaret H. Blount, widow, to Columbia Natural Resources, Inc., dated June 5, 2000, and recorded in the office of the Clerk of the County Commission of Kanawha County, West Virginia, in Lease Book 246, at page 699.

TRACT 4 – Lease No. 1190659-000 – 429.47 acres, more or less, being part of the premises covered by Lease No. 1190659-000, granted by Nellie B. Tompkins et al to Godfrey L. Cabot, Inc. dated January 30, 1935, covering a tract of land containing 707 acres, more or less, and recorded in the office of the Clerk of the County Commission of Kanawha County, West Virginia, in Lease Book 65, at page 260 and re-recorded in said Clerk's Office in Lease Book 65, at page 366. By Partial Assignment dated May 7, 1982, Cabot Oil and Gas Corporation (successor in title to Godfrey L. Cabot, Inc.) assigned the said lease to Columbia Gas Transmission Corporation, insofar, and insofar only, as the lease pertains to the production and development from the Tuscarora Sand (Clinton) Formation, said Partial Assignment being recorded in the aforesaid Clerk's Office in Assignment Book 96, at page 400; said Partial Assignment was amended by agreement between the aforesaid parties dated June 27, 1983, and recorded as aforesaid in Assignment Book 98, at page 168, and supplemented by Supplemental Agreement between Ford Coal Company and Columbia Gas Transmission Corporation, dated May 4, 1983, and recorded as aforesaid in Lease Book 218, at page 161. By deed dated May 27, 1982, Dorrit V. Tompkins et al, successors in title to Lessors, conveyed the oil and gas in place in, on and underlying the aforesaid lease to Ford Coal Company, which said Deed is recorded as aforesaid in Deed Book 2005, at page 605.



TRACT 5 – Lease No. 1021661-000 – 12.19 acres, more or less, being part of the premises covered by Lease No. 1021661-000 granted by Georges Creek Land and Mining Company (now Georges Creek Investments, Ltd.) to United Fuel Gas Company (predecessor in title to Columbia Gas Transmission Corporation) dated March 13, 1926, covering a tract of land containing 2,612 acres, more or less, and recorded in the office of the Clerk of the County Commission of Kanawha County, West Virginia, in Lease Book 50, at page 120;

said lease was amended to include an additional 51 acres by agreement between the aforesaid parties dated November 13, 1934, and recorded as aforesaid in Lease Book 63, at page 132; and which said lease was supplemented by Supplemental Agreement dated May 15, 1981, between the aforesaid parties and was recorded as aforesaid in Lease Book 209, at page 548.

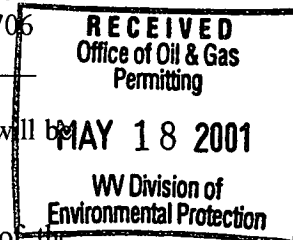
TRACT 6 – Lease No. 1190660-000 – 23.96 acres, more or less, being part of the premises covered by Lease No. 1190660-000, granted by Maxine M. Williams and Ella L. Wiley to Glen Oil and Gas Co., Inc., dated June 11, 1936, covering a tract of land containing 79 acres, more or less, and recorded in the office of the Clerk of the County Commission of Kanawha County, West Virginia, in Lease Book 71, at page 401, and assigned by agreement dated September 1, 1938, to Godfrey L. Cabot and recorded as aforesaid in Lease Book 81, at page 311, and further partially assigned to the Tuscarora Sandstone Formation to Columbia Gas Transmission Corporation (predecessor in title to Columbia Natural Resources, Inc.) dated May 7, 1982, and recorded as aforesaid in _____ Book 96, at page 400; and modified by agreement between the aforementioned parties dated June 27, 1983, and recorded in _____ Book 98, at page 168 and further supplemented by Supplement Agreements as follows:

LESSOR	LESSEE	DATE	LEASE BOOK	PAGE
H. R. Smith	Col. Natural Resources	8/29/00	246	795
Glenn Youell	"	9/25/00	246	797
Jesse F. Strickland, Jr.	"	9/8/00	246	823
Robert A. Stewart, Jr.	"	9/11/00	246	825
Helen Stewart	"	9/11/00	246	827
Victoria Ruth Bryant	"	9/11/00	246	998
Dennis D. Ferrell	"	9/13/00	246	1000
Calter Edward Tolley	"	10/3/00	247	125
Linda Stowers Bovette	"	1/12/01	247	541
Rexal L. Stowers	"	2/22/01	247	544
Violet M. Canter	"	3/20/01	247	597
Carolyn Beth Murdock	"	4/19/01	247	706
Richard H. Stowers	"	_____	_____	_____

Some of the owners of part of the tract of land covered by Lease No. 1190660-000 will be force pooled via the Oil and Gas Conservation Commission of West Virginia.

TRACT 7 – Lease No. 1217644-000 – 60.72 acres, more or less, being part of the premises covered by Lease No. 1217644-000 granted by George C. Previll and Rosemarie O. Previll, his wife, to Columbia Natural Resources, Inc., and recorded in the office of the Clerk of the County Commission of Kanawha County, West Virginia, in Lease Book 246, at page 866.

TRACT 8 – Lease No. _____ – .96 acres, more or less, being part of the premises covered by Lease No. _____ granted by the West Virginia Department of Transportation, to Columbia Natural Resources, Inc., and recorded in the office of the Clerk of the County Commission of Kanawha County, West Virginia, in Lease Book _____, at page _____. (Unleased)



TRACT 9 – Lease No. _____ – 4.00 acres, more or less, being part of the premises covered by Lease No. _____ granted by the West Virginia Department of Transportation, to Columbia Natural Resources, Inc., and recorded in the office of the Clerk of the County Commission of Kanawha County, West Virginia, in Lease Book _____, at page _____. (Unleased)

To the above leases, agreements and records reference is here made for all purposes.

Said leases are shown and identified on the map or plat attached hereto and made a part hereof entitled "Unit Exhibit – Well 824393", dated May 17, 2001.

The said leases will participate in the unit in the proportion shown below:

OWNER OF TRACT 1

Lease 1190661-000	81.87/640	=	12.7922%
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OWNER OF TRACT 2

Lease 1218460-000	5.87/640	=	0.9172%
-------------------	----------	---	---------

OWNER OF TRACT 3

Lease 1217093-000	20.96/640	=	3.2750%
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OWNER OF TRACT 4

Lease 1190659-000	429.47/640	=	67.1046%
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OWNER OF TRACT 5

Lease 1021661-000	12.19/640	=	1.9047%
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OWNER OF TRACT 6

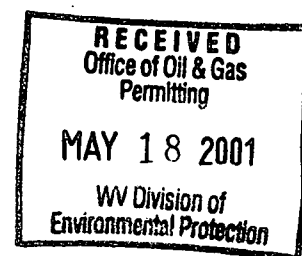
Lease 1190660-000	23.96/640	=	3.7438%
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OWNER OF TRACT 7

Lease 1217644-000	60.72/640	=	9.4875%
-------------------	-----------	---	---------

OWNER OF TRACT 8

Force Pool	0.96/640	=	0.1500%
------------	----------	---	---------



OWNER OF TRACT 9

Force Pool 4.00/640 = 0.6250%

Total: 100.0000%

Said leases are shown on the map or plat attached hereto and made a part hereof entitled
Company: Columbia Natural Resources, Inc.; **Well No.:** 824393; **Drilling Unit size**
640.00 acres; **Situate in:** Malden District, Kanawha County, West Virginia; **Scale:** 1" =
1000' and **Dated:** May 17, 2001.

This Declaration-Notice of Unitization forming this drilling unit is made by authority of the pooling
provisions contained in the above leases.

IN WITNESS WHEREOF, Columbia Natural Resources, Inc., has caused its corporate name to be
subscribed effective as of the ____ day of May, 2001.

COLUMBIA NATURAL RESOURCES, INC.

By: _____
R. Neal Pierce, Vice President

STATE OF WEST VIRGINIA,
COUNTY OF KANAWHA, to-wit:

I, _____, a notary public in and for the State and County aforesaid, do
certify that R. Neal Pierce, whose name, as Vice President of Columbia Natural Resources, Inc., is signed to
the writing above, bearing date on the ____ day of _____, 2001, has acknowledged the same
before me in my County aforesaid.

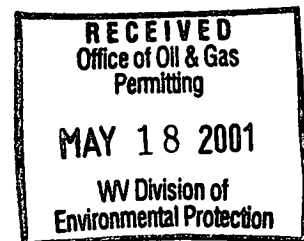
Given under my hand and official seal this ____ day of _____, 2001.

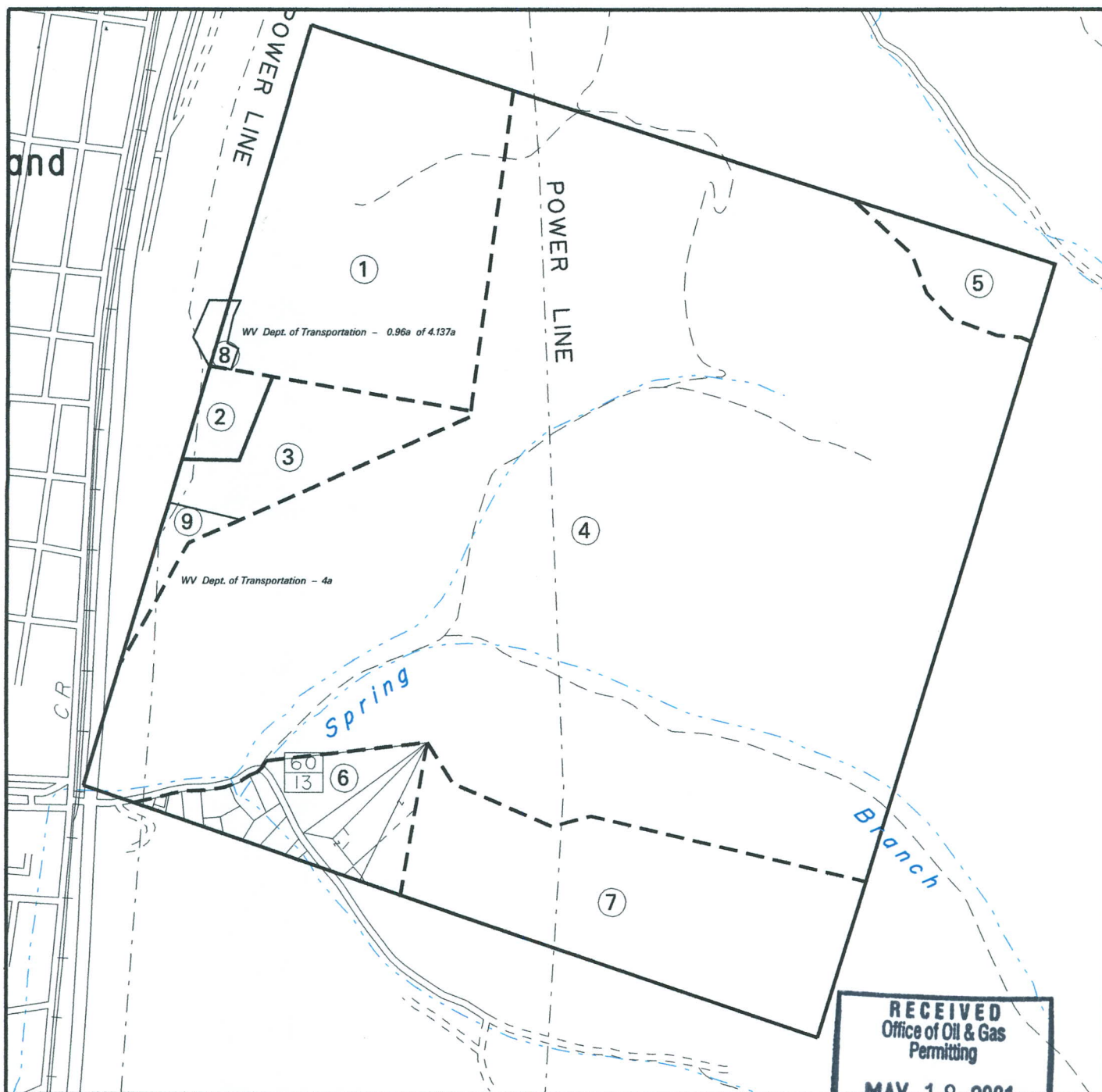
My commission expires: _____.

Notary Public

This instrument prepared by:
Law Department
Columbia Natural Resources, Inc.
P. O. Box 6070
Charleston, WV 25362-0070

L:\Keith\Indiancreek\24239.ic8.unitagmt





Unit Exhibit - Well 824239

NOTICE

This mapplat reflects only the approximate location of the depicted natural gas facilities (including property and property lines, lease and lease boundary lines). Columbia Natural Resources, Inc. does not warrant the accuracy or completeness of the depiction.

Furthermore, this mapplat is the property of Columbia Natural Resources, Inc. and may contain confidential and/or proprietary information. It may not be copied or otherwise made available to any other party without prior written consent from Columbia Natural Resources, Inc.

Columbia expressly disclaims responsibility for any action, activity or decision undertaken by a third party on the basis of the information depicted on this mapplat.

Call or write :

MANAGER, TECHNICAL SERVICES
COLUMBIA NATURAL RESOURCES, INC.
P.O. BOX 6070
CHARLESTON, WV 25362-0070
(304) 353-5000

**Columbia
Natural
Resources** SM

A Columbia Energy Group Company

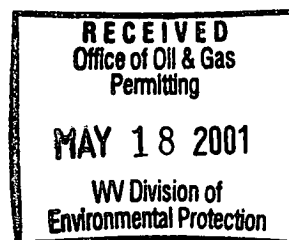
Quadrangle: Charleston East, WV
Scale: 1"=1000'

Technician: CNR0075
Plot Date: 17-MAY-2001

G:\MiscExhibitsComposites\Ken Tallman\824239b.bor

ATTACHMENT TO UNIT EXHIBIT – Well No. 824239

①	<i>1190661-000</i>	<i>81.87ac</i>
②	<i>1218460-000</i>	<i>5.87ac</i>
③	<i>1217093-000</i>	<i>20.96ac</i>
④	<i>1190659-000</i>	<i>429.47ac</i>
⑤	<i>1021661-000</i>	<i>12.19ac</i>
⑥	<i>1190660-000</i>	<i>23.96ac</i>
⑦	<i>1217644-000</i>	<i>60.72ac</i>
⑧	<i>Force Pool</i>	<i>0.96ac</i>
⑨	<i>Force Pool</i>	<i>4.00ac</i>
	<i>TOTAL</i>	<i>640.00ac</i>



BNG Producing & Drilling Docket 139
Cause 132

X-5

Pamela Sue Jett
1262 Linden Road
Looneyville, WV 25259

Barry K. Lay, Chairman
Oil and Gas Conservation Commission
1356 Hansford Street
Charleston, WV 25301

RE: Suttle # 1 Well
Docket No 139
Cause No. 132

Dear Mr. Lay:

In regard to the request by BNG Drilling & Producing, Inc. for a test well proposed to be API 47-087-04288.

I was contacted by Martin Twist Energy for permission to drill a well on my property, being 22.75 ac Hays Fork, Smithfield District, Roane County. I thought I made it very clear that we were not interested in this, due to the fact that we only have 22.75 acres and there is already one well on this property, that well being API 047-087-03408, Clennie Suttle Well.

I understand by previous information given to me by Sterling Drilling and Production that there was a cloud on the title when the title was prepared for their company. I have a copy of that document in my possession. We were asked to sign a waiver for them to drill the well, at that time we did sign the waiver, but I am not willing to do that again. I don't think the companies involved, BNG or Twist Energy have prepared a title for this property or to try to clear the title. I think they need to do their homework before they start making locations.

These two companies have been in Roane and Jackson County trying to drill a well, to date I do not believe they have proved that they can drill a deep well. I would suggest that you deny their request for a permit for that reason. Tell them to finish one and then you will consider it. They have been in Jackson County for almost a year and spent more than a year on Vineyard Ridge in Roane County and still have not finished a well.

I understand the mineral owners have rights, but do we not have rights as the surface owner. A few weeks ago I read the article in the Charleston Newspaper, about the surface owners rights. Will I have to get an attorney or will you act in my behalf and not let this happen.

IF this had been a company that would have drilled a well and then moved on I would not have been so upset about it, but as I said before they have not proved that they can drill a deep well.

I have worked for several oil and gas companies over the last few years and I realize that if everyone had this attitude that we would all be unemployed, but I am asking you to deny or delay this permit until they have proved themselves.

If they are allowed to come on my property without my permission, then I suggest that they be under bond or put money in escrow (up front) for the damages that will occur on my land.

Enclosed is a copy of the letter that I received about the hearing, I talked to Al Blankenship last week and he suggested that we, the surface owner would not have a say at the hearing, he understood that this was for the O & G Commission and BNG.

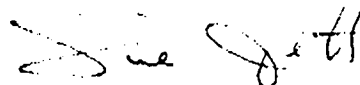
Please advise me about what my rights are and if I should hire an attorney, or if it will help me to do that.

Also please send me any information that has been proposed to you about the well location and R.O.W., if this is public record.

I will be waiting to hear from you, please let me know as soon as possible, the hearing is June 22, and I would like to know what I need to do a few weeks in advance.

Thanking you in advance for anything you can do to help me resolve this situation.

Yours truly,

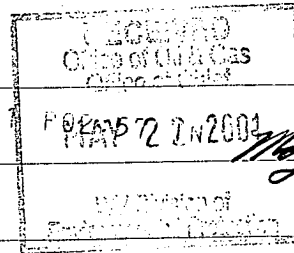


Danny Jett &
Sue Jett

927-5168 or 3138

87-4288

05-22-01



May 18, 2001

I have been out of state for a while. When I returned home, this permit was at the post-office.

The proposed location of the well is on a very steep hill beside my house. My only source of water is straight below it. Also my house and horse barn is below it.

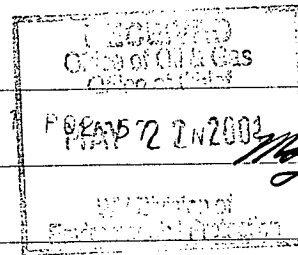
Mr. Twist called me on 2 separate occasions to reach an agreement on my damages but he never showed up either time nor did he call to cancel. I called B.N.G. and they said they were hired too so the drilling but Mr. Twist was the operator. I didn't understand why B.N.G. would be applying for the permit.

Until someone is honest with me I will not agree to the proposed permit.

James W. Fitt

87-4288

05-22-01



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James M. Felt

X-5

Pamela Sue Jett
1282 Linden Road
Looneyville, WV 25259

Barry K. Lay, Chairman
Oil and Gas Conservation Commission
1356 Hansford Street
Charleston, WV 25301

RE: Suttle # 1 Well
Docket No 139
Cause No. 132

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These two companies have been in Roane and Jackson County trying to drill a well, to date I do not believe they have proved that they can drill a deep well. I would suggest that you deny their request for a permit for that reason. Tell them to finish one and then you will consider it. They have been in Jackson County for almost a year and spent more than a year on Vineyard Ridge in Roane County and still have not finished a well.

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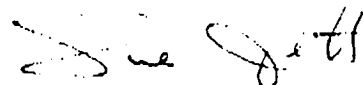
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I will be waiting to hear from you, please let me know as soon as possible, the hearing is June 22, and I would like to know what I need to do a few weeks in advance.

Thanking you in advance for anything you can do to help me resolve this situation.

Yours truly,



Danny Jett &
Sue Jett

927-5168 or 3138

State of West Virginia
Department of Environmental Protection
OIL AND GAS CONSERVATION COMMISSION
1356 Hansford Street
Charleston, West Virginia 25301
Telephone: 558-6076
Fax: (304)558-6047

Barry K. Lay, Chairman
Michael W. Stalcroft, Member
Denny P. Harton, Member
John H. Johnston, Ex-Officio
Michael O. Callaghan, Ex-Officio

Bob Wise, Governor

**BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF WEST VIRGINIA**

**IN THE MATTER OF THE REQUEST BY BNG
DRILLING & PRODUCING, INC. FOR TEST
WELL STATUS ON TWO PROPOSED WELL
TO BE LOCATED IN SMITHFIELD DISTRICT,
ROANE COUNTY, WEST VIRGINIA.**

DOCKET NO. 140

CAUSE NO. 132

NOTICE OF HEARING

Charles Dollison, Counsel for BNG Producing & Drilling, Inc., by letter dated July 9, 2001, has requested the above matter be continued, to allow the applicant to present additional testimony. The hearing is scheduled as stated below:

DATE: August 14, 2001

TIME: 2:30 p.m.

**PLACE: Department of Environmental Protection
Office of Oil and Gas
1356 Hansford Street, 2nd Floor
Charleston, West Virginia 25301
(304) 558-6076**

IN THE NAME OF THE STATE OF WEST VIRGINIA:

**OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF WEST VIRGINIA**

By: 
Barry K. Lay, Commissioner

Dated this 11th day of July, 2001, at Charleston, West Virginia.

ORIGINAL

BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF WEST VIRGINIA

IN THE MATTER OF THE REQUEST BY BNG
DRILLING & PRODUCING, INC. FOR TEST
WELL STATUS ON TWO PROPOSED WELLS
TO BE LOCATED IN SMITHFIELD DISTRICT,
ROANE COUNTY, WEST VIRGINIA.

DOCKET NO. 139

CAUSE NO. 132

Transcript of proceedings had and testimony
taken at a hearing held pursuant to notice in the
above-styled matter at the Department of Environmental
Protection, Office of Oil and Gas, 1356 Hansford
Street, Charleston, West Virginia, on Friday, the 22nd
day of June, 2001, at 10:00 a.m..

BEFORE: BARRY K. LAY, Commissioner and Chairman

DENNY P. HARTON, Member

RANDY HUFFMAN, appearing for
MICHAEL O. CALLAGHAN, Ex-Officio Member

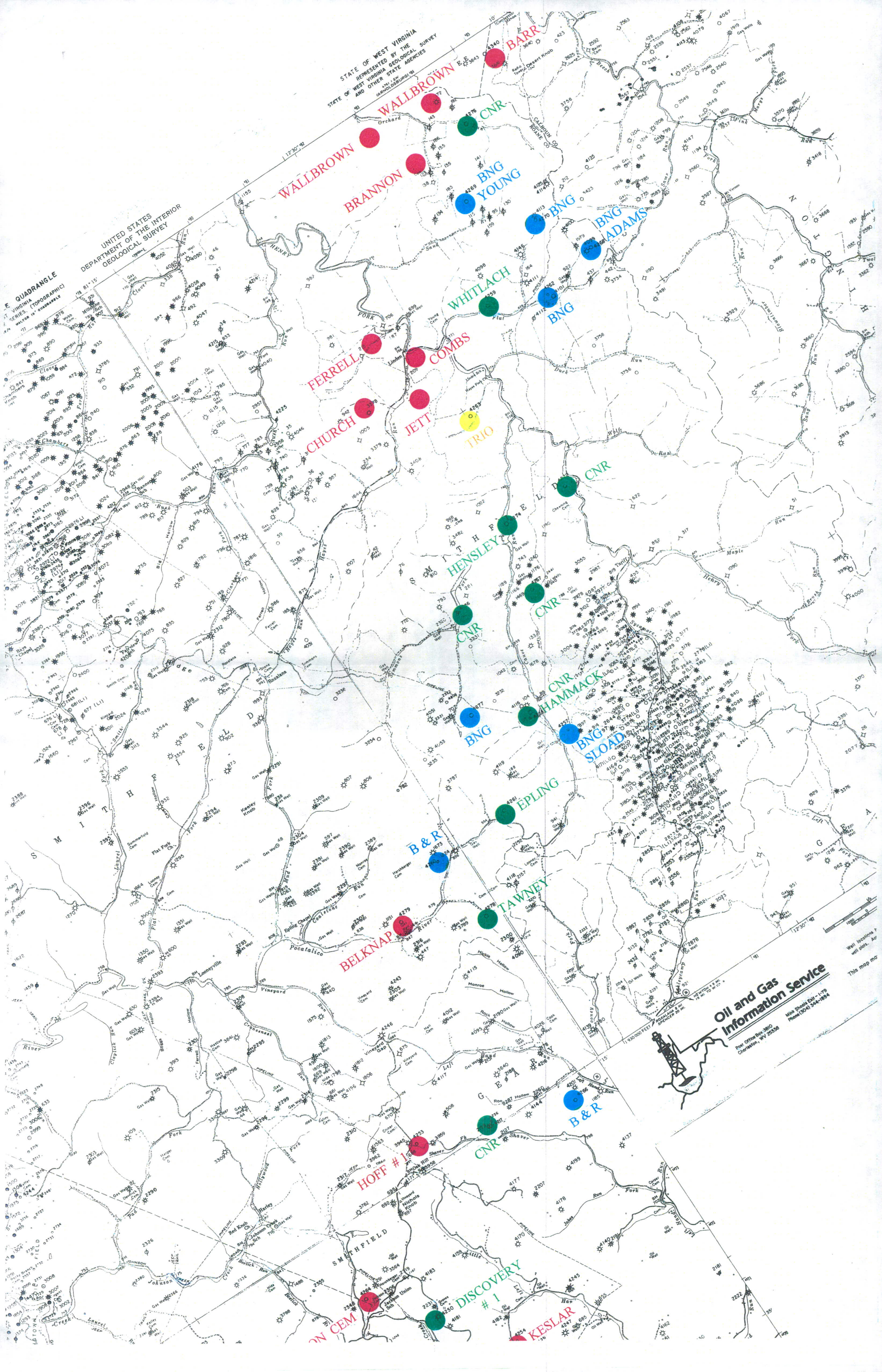
JOHN H. JOHNSTON, Ex-Officio Member

MICHAEL W. SINICROPI, Member

DATE: JULY 3, 2001

NINETY DAYS FROM THE ABOVE DATE THE
TAPES OF THIS MATTER WILL BE ERASED
SO THAT THEY MAY BE REUSED UNLESS
WE HEAR FROM YOU INDICATING YOUR
REASONS WHY THIS SHOULDN'T BE DONE.

JANET T. SURFACE
145 BELLE ACRES
SCOTT DEPOT, WV 25560
PHONE (304) 757-0622



WALLBROWN

BRANNON

WALLBROWN

BNG YOUNG

BNG ADAMS

FERRELL

COMBS

CHURCH

JETT

TRIO

WHITLACH

BNG

CNR

HENSLEY

CNR

BNG

CNR HAMMACK

BNG SLOAN

EPLING

TAWNEY

BELKNAP

B&R

HOFF #1

ON CEM

DISCOVERY #1

B&R

CNR

KESLAR

Oil and Gas Information Service
Post Office Box 3810
Charleston, WV 25308
Main Office Ext. 1-179
Phone (304) 344-1854



This map mo

State of West Virginia
Department of Environmental Protection
OIL AND GAS CONSERVATION COMMISSION

1356 Hansford Street
Charleston, West Virginia 25301
Telephone: 558-6076
Fax: (304)558-6047

Barry K. Lay, Chairman
Michael W. Sinicropi, Member
Denny P. Harton, Member
John H. Johnston, Ex-Officio
Michael O. Callaghan, Ex-Officio

Bob Wise, Governor

June 28, 2001

Ms. Pamela Sue Jett
1262 Linden Road
Looneyville, WV 25259

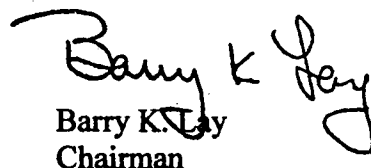
Re: BNG Drilling & Producing, Inc.
Docket Number 139, Cause Number 132

Dear Ms. Jett:

The Oil and Gas Conservation Commission ("Commission") deliberated on the above matter and considered the evidence presented at the June 22, 2001 hearing. Based upon the evidence presented, the Commission is unable to determine whether or not the proposed wells may be classified as "test" wells or "development" wells. Therefore, in order to more properly assess the classification of the proposed wells, the Commission encourages either party to request a continuance of the June 22 hearing and present additional testimony. If a continuance is not requested by the close of business on July 10, 2001 then the Commission will rule based upon the evidence presented at the June 22 hearing.

A written request for continuance of this matter should be submitted to the Brett Loflin, Oil and Gas Conservation Commission, 1356 Hansford St. Charleston, West Virginia.

Sincerely,


Barry K. Lay
Chairman

Completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☒ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

4a. Article Number

7099 3400 0018 2240 4052

Pamela Sue Jett
1262 Linden Road
Looneyville, West Virginia 25259

Service Type

Registered

Express Mail

Receipt for Merchandise

Delivery

☒ Certified

☐ Insured

☐ COD

5. Received By: (Print Name)

Danny Jett

6. Signature (Addressee or Agent)

[Signature]

8. Addressee's Address (Only if requested and fee is paid)

Thank you for using Return Receipt Service.

Is your RETURN

Completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
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2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

4a. Article Number

7099 3400 0018 2240 4045

Charles Dollison
Bowles, Rice, McDavid, Graff and Love
Post Office Box 1386
Charleston, West Virginia 25325

Registered

as Mail

Receipt for Merchandise

Delivery

☒ Certified

☐ Insured

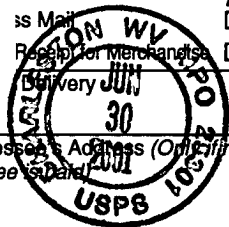
☐ COD

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

X *Shirley Robertson*



Thank you for using Return Receipt Service.

Is your RETURN

PRESENT:

L. BRETT LOFLIN, Engineer,
CYNTHIA SMITH, Administrative Secretary,
State of West Virginia,
Department of Environmental Protection,
Oil and Gas Conservation Commission,
1356 Hansford Street,
Charleston, West Virginia 25301;

CHARLES B. DOLLISON, Attorney at Law,
Bowles, Rice, McDavid, Graff, and Love,
Post Office Box 1386,
Charleston, West Virginia 25325-1386,
representing BNG Drilling and Producing, Inc.;

LONNY ARMSTRONG,
BNG Drilling and Producing, Inc.,
Martin Twist Energy Company;

TIMOTHY CARPENTER HUFFMAN, Geologist,
Hufco, Inc.;

DANNY and SUE JETT,
1262 Linden Road,
Looneyville, West Virginia 25259.

I N D E X

<u>Witness</u>	<u>Direct</u>	<u>Commission</u>	<u>Jetts</u>
Huffman, Timothy C.	10, 22, 33, 37	13 JJ 17, 27, 36, 37, 41 DH 39 BL	47

<u>Exhibits</u>	<u>Identified</u>	<u>Received</u>
Exhibit No. 1	4	4
Exhibit No. 2	4	5
Exhibit No. 3	5	5
Exhibit No. 4	5	5
Exhibit No. 5	6	6
Exhibit No. 6	7	7
Exhibit No. 7	7	7
Exhibit No. 8	9	9
Exhibit No. 9	34	

1 CHAIRMAN LAY: Before the Oil and Gas
2 Conservation Commission of the State of West Virginia.

3 In the matter of the request by BNG
4 Drilling and Producing, Inc. for a test well status on
5 two proposed wells to be located in Smithfield
6 District, Roane County, West Virginia.

7 This is Docket Number 139, Cause
8 Number 132.

9 Let the record show that present
10 are members of the Commission, Mike Sinicropi,
11 John Johnston, Denny Harton, and Randy Huffman.

12 Also staff present are Cindy Smith
13 and Brett Loflin. Of course, myself.

14 At this time, I'd like to place into
15 evidence Exhibit 1, the notice of hearing with return
16 receipts.

17 (WHEREUPON, said document was
18 received in evidence, marked
19 for identification as Exhibit
20 No. 1, and is attached hereto
21 and made a part hereof.)

22 CHAIRMAN LAY: A copy of two applications

1 for well work permits for the Jett Number One as
2 Exhibit 2.

3 (WHEREUPON, said document was
4 received in evidence, marked
5 for identification as Exhibit
6 No. 2, and is attached hereto
7 and made a part hereof.)

8 CHAIRMAN LAY: Suttle Number One as Exhibit
9 3.

10 (WHEREUPON, said document was
11 received in evidence, marked
12 for identification as Exhibit
13 No. 3, and is attached hereto
14 and made a part hereof.)

15 CHAIRMAN LAY: A copy of the legal
16 advertisement as Exhibit 4.

17 (WHEREUPON, said document was
18 received in evidence, marked
19 for identification as Exhibit
20 No. 4, and is attached hereto
21 and made a part hereof.)

22 CHAIRMAN LAY: Can we go off for just a

1 second.

2 (WHEREUPON, a discussion
3 was had off the record.)

4 CHAIRMAN LAY: Let's go back on.

5 Exhibit 5 is correspondence from
6 Pamela Sue Jett to Barry Lay, Chairman, regarding the
7 wells. As well as--

8 (WHEREUPON, said document was
9 received in evidence, marked
10 for identification as Exhibit
11 No. 5, and is attached hereto
12 and made a part hereof.)

13 CHAIRMAN LAY: Pardon me? Have you got a
14 problem?

15 MEMBER HARTON: I wouldn't mind having
16 copies of them.

17 EX-OFFICIO MEMBER JOHNSTON: Yeah, me
18 either. I don't have copies of them.

19 CHAIRMAN LAY: Okay. We'll go off the
20 record a moment and get a copy of this.

21 MR. DOLLISON: I would like to get a copy of
22 that too.

1 CHAIRMAN LAY: Okay.

2 (WHEREUPON, a discussion
3 was had off the record.)

4 CHAIRMAN LAY: Let's go back on the record.

5 I'll introduce Exhibit 6, a piece
6 of handwritten correspondence from, I'm not sure, is
7 that--

8 MS. SMITH: Jimmy Jett.

9 CHAIRMAN LAY: Jimmy Jett, as Exhibit 6.

10 (WHEREUPON, said document was
11 received in evidence, marked
12 for identification as Exhibit
13 No. 6, and is attached hereto
14 and made a part hereof.)

15 CHAIRMAN LAY: And Exhibit 7, the request
16 for hearing by BNG Drilling and Producing, Inc..

17 (WHEREUPON, said document was
18 received in evidence, marked
19 for identification as Exhibit
20 No. 7, and is attached hereto
21 and made a part hereof.)

22 CHAIRMAN LAY: At this time the Commission

1 will take appearances, from BNG Producing first, and
2 then Mr. and Mrs. Jett.

3 If you would like to make opening
4 statements, please let me know and we will allot both
5 of you time for that. If not, we can proceed.

6 MR. DOLLISON: I think we're ready. We're
7 ready to proceed.

8 CHAIRMAN LAY: Would you like to make an
9 opening statement before we begin?

10 MRS. JETT: No.

11 MR. DOLLISON: Chud Dollison with Bowles,
12 Rice, McDavid, Graff, and Love, representing BNG
13 Producing.

14 And with me I have Lonny Armstrong.
15 He's with Martin Twist Energy and they have an AMI
16 agreement with BNG with regard to this well in this
17 area. And also Mr. Tim Huffman with Hufco, geologist.

18 As I mentioned earlier, the hearing
19 requested involves two permits, the Suttle and the Jett
20 well. And at this time, we're withdrawing the Suttle
21 well from the hearing procedure. We want to proceed to
22 permit that well but we will do it as a standard

1 developmental well. So this hearing will concern the
2 application to permit the Jett well as a test well.

3 Let me pass out what I'll mark as
4 Exhibit 6. I wish I had more of these. I apologize.

5 CHAIRMAN LAY: If you're doing them
6 consecutively, it will be eight.

7 MR. DOLLISON: Oh, okay.

8 CHAIRMAN LAY: We'll place this one in the
9 record.

10 (WHEREUPON, said document, so
11 offered and received in evidence,
12 was marked for identification as
13 Exhibit No. 8 and is attached
14 hereto and made a part hereof.)

15 MR. DOLLISON: Exhibit 8 is the oil and gas
16 information map. And Mr. Huffman is going to explain,
17 using that map, why we believe this well to be a test
18 well within the definition of 22C-9.

19 A test well, under the regulations,
20 is defined as being a well designed to test a new pool.
21 And then the statute 22C-9 defines a pool as being
22 bounded by geological barriers in all directions, such

1 as geologic structural conditions, impermeable strata,
2 and water in the formation so that it is effectively
3 separated from any other pools that may be presented in
4 the same district or on the same geologic structure.

5 So I just wanted to clarify for the
6 record the definition of the pool and then Mr. Huffman
7 will speak to why we believe this well design is to
8 test a new pool.

9 CHAIRMAN LAY: If we could, we would have
10 Mr. Huffman sworn, please.

11 MR. DOLLISON: Okay.

12 (Witness sworn/affirmed.)

13 THEREUPON came

14 TIMOTHY CARPENTER HUFFMAN

15 called as a witness on behalf of BNG Drilling and
16 Producing, Inc., having been first duly sworn/affirmed
17 according to law, was examined and testified upon his
18 oath/affirmation as follows:

19 DIRECT EXAMINATION

20 BY MR. DOLLISON:

21 Q Mr. Huffman, using Exhibit 8, can you
22 explain to the Commission which of the wells have been

1 completed and which of the wells are permitted, and
2 then take us through your analysis of why the Jett well
3 is a test well, please.

4 A Yes. The red wells that are indicated on
5 the map are BNG Producing and Drilling wells. The
6 green are CNR wells. A discovery well is noted in the
7 bottom of the map, estimated production at fifty-five
8 million a day.

9 Q When you say "discovery well," which one
10 would that be, for the record?

11 A Well, that would be the-- It's marked
12 discovery on the map. It's the Parker well.

13 Q Okay.

14 A Okay. That, as we were told by the state
15 inspectors, they estimated about fifty-five million a
16 day.

17 The second discovery well, which was
18 drilled below and to the west, came in at
19 approximately, according to the information provided
20 me, was about three million a day. The first well came
21 in at ten-thousand-three-hundred-fifty-one feet.

22 Now this information I'm giving you

1 was relayed to me by state inspectors and personnel,
2 the accuracy of which I can't specify.

3 (WHEREUPON, a discussion
4 was had off the record.)

5 EX-OFFICIO MEMBER JOHNSTON: Do you want him
6 to present all this testimony to start with or do you
7 care if we ask questions?

8 MR. DOLLISON: No. That's fine. I mean, if
9 you want to ask questions, that's fine.

10 One of the kind of problems we've had
11 is, with regard to the information, is, a lot of this
12 information, as you know, is confidential or hasn't
13 been divulged.

14 EX-OFFICIO MEMBER JOHNSTON: We're in
15 classic hearsay evidence right now.

16 THE WITNESS: Right. That's exactly the
17 point I was making.

18 EX-OFFICIO MEMBER JOHNSTON: Because you
19 don't have firsthand knowledge of the numbers you told
20 us.

21 MR. DOLLISON: Right.

22 CHAIRMAN LAY: If you don't mind, the

1 recorder needs to have one person speak at a time so
2 she can keep track. I'm sorry.

3 MEMBER HARTON: Before we go any further,
4 Tim, could you-- Let's clarify the map. The red are
5 BNG wells that are currently producing?

6 THE WITNESS: No. Permitted.

7 MEMBER HARTON: These are permitted wells.

8 THE WITNESS: These are only permitted.

9 MEMBER HARTON: Okay.

10 EX-OFFICIO MEMBER JOHNSTON: Can I back up a
11 little further?

12 MR. DOLLISON: Sure.

13 MEMBER HARTON: Go ahead.

14 EXAMINATION

15 BY EX-OFFICIO MEMBER JOHNSTON:

16 Q First of all, Tim, let's establish your
17 qualifications for the record. I think that might be a
18 good thing to do.

19 A I graduated from Marshall University with
20 a bachelor of science degree in geology and
21 mathematics.

22 Q What year?

1 A 1966.

2 Q Okay.

3 A I was in the navy for a number of years
4 as a pilot and then started in the oil business in
5 Texas in 1975, I believe, '75 or '76. I did on-site
6 geology on a number of wells in the Permian Basin.

7 I went to work for a company called
8 Gearhart-Owens, which is now Halliburton Well Service.
9 I was a logging engineer, logging being well logging,
10 which is running different mechanical devices into a
11 well and looking at different physical parameters.

12 From there, I went to work as a
13 geologist for Lauderman Oil and Gas.

14 From Lauderman Oil and Gas, I went as
15 head geologist for Carbonite Exploration.

16 Q What state and what year?

17 A Oh, jeez.

18 Q Just approximately.

19 A At Lauderman we drilled in Ohio and West
20 Virginia.

21 Q Okay.

22 A And that was about '77 or '78.

1 Carbonite was probably-- I was the
2 head geologist for the Appalachian Basin for Carbonite
3 in '79 or '80, in that time frame.

4 I was the head geologist for
5 Resources Engineering Management International in
6 Parkersburg in around '81.

7 I then became vice president of a
8 company called Eagle Oil and Gas. And at the end of
9 that period, I set out on my own, which would have been
10 about 1984, '83, '84.

11 Q Okay. And you've been self-employed
12 since that time as a geologist?

13 A Yes sir. Well, I have an oil and gas
14 company. Hufco is an ongoing company.

15 Q Okay. What's been your experience with
16 what we term deep wells in West Virginia?

17 A Well, in West Virginia, the only two deep
18 wells that have been drilled other than CNR, I've sat
19 on both of them.

20 Q Okay.

21 A But now I have deep well production but
22 not in the Trenton. It's in the Clinton-Medina. I've

1 got-- I mean, we drilled several of those in Ohio.
2 I've got one in Pleasants County, West Virginia.

3 MR. DOLLISON: And you represented BNG with
4 respect to the Hoff wells, is that correct?

5 THE WITNESS: Yes sir; which is at ten-
6 thousand-six-hundred-and-ninety-one feet.

7 EX-OFFICIO MEMBER JOHNSTON: Okay. I just
8 wanted to establish your credentials for the record.

9 MR. DOLLISON: Thank you.

10 EX-OFFICIO MEMBER JOHNSTON: Because it's
11 important. We have to understand. You know, you come
12 in and swear to tell us the truth but we don't know if
13 you understand the truth. You know what I mean, just
14 so we have it.

15 THE WITNESS: Yes sir. Well, we ran
16 approximately forty miles of seismic in the area of the
17 discovery well. And I've seen probably another hundred
18 miles of seismic in that general area.

19 EX-OFFICIO MEMBER JOHNSTON: Okay.

20 THE WITNESS: I'm working for some people up
21 in Mount Gilead, Ohio, that are involved, and we
22 anticipate drilling at least forty deep wells. So I

1 don't know if that's relevant or not.

2 EX-OFFICIO MEMBER JOHNSTON: Okay. Let's
3 get back, Denny. I just wanted to get that on the
4 record.

5 MR. DOLLISON: Thank you.

6 MEMBER HARTON: Also I might add I expect
7 I've known Tim for twenty years. I'm very aware of his
8 qualifications. We worked on properties together a few
9 times.

10 EXAMINATION

11 BY MEMBER HARTON:

12 Q As you testified, the red represents
13 permitted Boggs wells or BNG wells?

14 A Right.

15 Q That are permitted to--

16 A To the Trenton--

17 Q (continuing) to the Trenton.

18 A (continuing) Black River.

19 Q The green are wells that are either
20 permitted by CNR or drilled by CNR?

21 A Both. There are wells here that have
22 been drilled and some of them have not been drilled

1 yet. The Tawney and the Epling have been drilled.

2 Q Wait a minute. The Tawney has been
3 drilled?

4 A The Tawney has been drilled. The Epling
5 has been drilled.

6 Q All right. What about the one you title
7 CNR?

8 A That's the Clovis and that's been
9 drilled. It was considered a dry hole, I understand.
10 Again without--

11 Q The one you title discovery number one.

12 A That was the Parker that reportedly came
13 in at fifty-five-million cubic feet and was producing
14 someplace in the five-million-cubic-foot range, is what
15 we've been told.

16 Q The Hammack is a, I believe we heard a
17 case regarding that one. That is a permitted well,
18 right?

19 A Right.

20 Q It hasn't been drilled?

21 A Not to my knowledge.

22 Q And the two above there called CNR north

1 of the Hammack?

2 A My understanding is the Hensley has
3 been--

4 Q Which one? There's two south of the
5 Hensley.

6 A The one on Poca Road I understand was
7 drilled and was considered a dry hole. But I'm not
8 that familiar with those.

9 Q The other one, has it been drilled or
10 just permitted?

11 A As far as I know, it's permitted.

12 The Hensley was drilled and the
13 reports are that it encountered substantial gas in the
14 Clinton-Medina and marginal gas in the Newburg.

15 Q And the CNR well to the northeast of it?

16 A I don't believe that it's been drilled.
17 The Whitlach supposedly was two to three million a day
18 in the Newburg but I don't know the depths on that one.

19 Q The Newburg?

20 A Or, no, excuse me, the--

21 Q Trenton?

22 A Trenton. Trenton Black River.

1 Q Okay. Now the blue wells are what?

2 A Those are Boggs Natural Gas which is a
3 company that Martin works with but they're
4 independently permitted.

5 Q Are these permitted or drilled wells?

6 A Permitted.

7 Q None of which have been drilled?

8 A No sir. The only red well that's been
9 drilled is the Hoff Number One, has been drilled to a
10 depth of ten-thousand-six-hundred-and-ninety-one feet.

11 EX-OFFICIO MEMBER JOHNSTON: Into the
12 Trenton--

13 THE WITNESS: Into the Trenton Black River.

14 BY MEMBER HARTON:

15 Q So none of the red wells other than the
16 Hoff and none of the blue wells have been drilled?

17 A That's correct.

18 Q But the blue wells are permitted wells?

19 A Yes sir.

20 Q Can you tell me on this map where is the
21 subject of this hearing well?

22 A It's the red Jett marked-- If you see

1 the Whitlach-- Do you see the red Jett?

2 Q Do you know what the scale of this map
3 is?

4 A It's your standard topographical scale.

5 Q It looks like it's been reduced to me.

6 A Well, I mean as far as-- Yeah, the copy
7 has been reduced.

8 Q So we don't know what the scale is?

9 A No sir.

10 Q And all the blue wells are wells that
11 have been permitted by BNG?

12 A Yes sir.

13 Q Okay. I just wanted to get a good handle
14 on this.

15 MR. DOLLISON: Thank you very much. We
16 appreciate it.

17 THE WITNESS: The top CNR well we understand
18 was a dry hole too.

19 EX-OFFICIO MEMBER JOHNSTON: The very top
20 one?

21 THE WITNESS: Yes. That's what we've been
22 led to believe. Now again this is just hearsay

1 information.

2 DIRECT EXAMINATION (resumed)

3 BY MR. DOLLISON:

4 Q Mr. Huffman, you testified earlier that
5 you had been involved with the Hoff well?

6 A Uh-huh.

7 Q As well as, have you been involved with
8 permitting the other red wells?

9 A Most of them, yes sir.

10 Q Okay. Based upon your permitting those
11 wells and your understanding of the completed CNR
12 wells, can you explain to the Commission, just in
13 general, the Trenton Black River formation and what
14 your analysis is, based upon the seismic you discussed
15 earlier?

16 A Well, what we appear to be seeing is a
17 formation that's from fifteen-hundred to two-thousand
18 feet in thickness. There are a number of structures
19 involved. CNR has been drilling the grabens, which is
20 a downfall situation. They have been drilling actually
21 the east side of the graben on most of these locations.
22 There are-- The structure goes in widths from

1 approximately fifteen-hundred feet to, we estimate,
2 possibly three-thousand feet in width.

3 Q So are you saying that within the
4 formation there are different producing horizons?

5 A Yes. What is going on here and what I'd
6 like to point out, and again this information may or
7 may not be very accurate, but the discovery well, as I
8 started, was told by the state inspector, came in at
9 ten-thousand-three-hundred-and-fifty-one feet.

10 The second well came in at nine-
11 thousand-nine-hundred-and-some-odd feet. What is going
12 on apparently is we're dealing in one or two or perhaps
13 three different situations where you have vugular
14 porosity in some cases associated with massive
15 fracturing which comes from perhaps as deep as the
16 basement. Apparently on the seismic it is pretty
17 sizable. But what happens in these situations is that
18 you can encounter different volumes of gas at different
19 levels. You may have six, seven-thousand pounds on one
20 well. You may offset it and encounter a totally
21 different situation at a totally different depth.
22 There's no consistency that I've been able to determine

1 as to where you're going to encounter it. We're
2 calling it Trenton Black River, but it could be in the
3 top. It could be several-hundred feet in; it could be
4 a thousand feet in. There's, at this point in time,
5 there's not sufficient data to establish any kind of
6 pattern.

7 Q If you would, take us from the bottom of
8 the map to the top again and just go through the CNR
9 wells and the depths and then which ones are dry holes,
10 so we can get a feel for it.

11 A Okay. Again this is, understanding that
12 this is information, as the gentleman pointed out, that
13 may or may not be accurate. The first two discoveries,
14 the first one was approximately ten-thousand-three-
15 hundred-fifty-one feet. The second--

16 Q What did it come in at?

17 A Fifty-five million is what we were told.
18 And producing, I don't--

19 Brett might have a better--

20 MR. LOFLIN: Do you have permit numbers on
21 your map that you're looking at?

22 THE WITNESS: Not on this one. Not on this

1 map.

2 MR. LOFLIN: Okay.

3 THE WITNESS: I have them but I don't have
4 them with me.

5 MR. LOFLIN: Okay. Well, if you look--

6 MEMBER HARTON: Do you have a copy of the
7 map?

8 Give us a second.

9 CHAIRMAN LAY: Let's go off the record for a
10 moment while they confer.

11 (WHEREUPON, a discussion
12 was had off the record.)

13 CHAIRMAN LAY: Back on the record.

14 THE WITNESS: The CNR well, which I believe
15 is the Clovis, which is the offset to the Hoff, our
16 understanding is that they considered it a dry hole.

17 BY MR. DOLLISON:

18 Q Okay. How about the Hoff?

19 A The Hoff indicated some gas at around
20 ninety-four hundred and again at about ten-three.
21 However, our vertical depth was not quite as deep as we
22 had anticipated. So we took it on down another, about

1 three-hundred feet to make sure we were down into the
2 Black River.

3 EX-OFFICIO MEMBER JOHNSTON: That's what I
4 was going to ask. You said you encountered gas, maybe
5 in two different places?

6 THE WITNESS: Yes sir.

7 EX-OFFICIO MEMBER JOHNSTON: Was it from
8 different formations then?

9 THE WITNESS: Well, not different
10 formations. Because the formation we're dealing with
11 is all the same, but it's structurally different. In
12 other words, if you have two-thousand feet of
13 formation, you could encounter fracture or a vugular
14 porosity at maybe a hundred feet in and have a
15 tremendous volume of gas. You might go on in another
16 four- or five-hundred feet and not hit anything.

17 What I'm saying is, from what we've
18 looked at and seen, you've got a magnet, I don't know
19 how best to describe it, but you've got a number of
20 structures and some of these structures will produce
21 gas and some of them won't. And the depths of these
22 structures are different.

1 BY MR. DOLLISON:

2 Q Could you by chance maybe draw what
3 you're talking about on the blackboard?

4 A I can attempt to.

5 EXAMINATION

6 BY MEMBER HARTON:

7 Q You've used the term "vugular porosity" in
8 a couple of occasions. Have you done core samples out
9 there?

10 A No. What we looked at were the-- I
11 looked at the samples as we drilled and we could see
12 indications of some type of--

13 Q Of vugs?

14 A (continuing) of vugs but not in a
15 significant amount to say that this is exactly what's
16 going on. We could see minor details. Some of them
17 were healed fractures. Some of them were vugular
18 porosity that you could actually see. But these-- I'm
19 talking about microscopic samples.

20 Q Was that in the Trenton?

21 A Yes.

22 Q Within the Trenton?

1 A Within the Trenton. These are
2 microscopic samples though. So you're looking at a
3 very small minutia compared to the overall picture.

4 Q All right.

5 A But what we've seen is-- What you have
6 is, you have the Trenton coming along perhaps like this
7 (indicating) fairly consistent, and then you'll see a
8 situation where it dips on a seismic. You'll see
9 something in this (indicating) type of environment or
10 it may be more dramatic and it may be more like this
11 (indicating). But what happens, associated with that
12 situation, you'll have fracturing coming down
13 (indicating).

14 For instance, the Eppler well, the
15 seismic, which I was privy to, showed basically what
16 you would, from a layman's term, it looked like an
17 hourglass. And the Eppler well was drilled right in
18 this area right here (indicating). According to the
19 guys that came in to shut the well in because CNR
20 couldn't control it, they were estimating that it was
21 two-hundred million a day.

22 Q That's the Epling?

1 A The Epling.

2 Q That's the first one?

3 A No. This is about the fifth well in
4 their program.

5 MEMBER HARTON: That's 4261?

6 MR. LOFLIN: Yes.

7 THE WITNESS: Anyway this came from the guys
8 that came in to control it.

9 Now again CNR is holding all this
10 information confidential and we're just working with
11 the seismic data that we do have available and the
12 estimates that we hear.

13 On the seismic coming across thirty-
14 three in Roane County we've seen approximately seven or
15 eight of these type structures. And they'll have a
16 different shape or size. We've seen one on one of our
17 leases that actually is a dome where the area comes up
18 almost in the appearance of a salt dome, which we
19 haven't drilled it so we don't know what, you know,
20 we're just talking about the seismology.

21 BY MEMBER HARTON:

22 Q How wide are those anomalies?

1 A This one (indicating) was about a
2 thousand feet.

3 This one (indicating) is about
4 twelve-hundred-and-fifty feet.

5 And I'm just-- The figures are
6 coming off the top of my head. I would have to have
7 the data in front of me to really give an accurate
8 presentation.

9 But what's happening in the case of
10 the Hoff and the Clovis well, the CNR well, the data
11 originally looked like it was about three-thousand feet
12 in width. And apparently from CNR's situation and our
13 situation, it's probably more like twelve-hundred feet
14 in width.

15 So the point here is that if you're
16 looking down, you would have splines coming off these
17 structures. If we just draw a square and say this is
18 Roane County (indicating), just for sake of simplicity,
19 the one structure comes up something like that
20 (indicating). The width of this varies. It's not
21 consistent. There are laterals coming off. There are
22 independent structures that are not connected or at

1 least the seismic data that we have doesn't show them
2 to be connected at this time.

3 So what-- Basically if you look at
4 that map, you can see that CNR is basically following a
5 general trend up through here (indicating). The
6 problem being that you come in, you have a good well
7 here (indicating), a mediocre well here (indicating), a
8 dry hole here (indicating). You come on up here
9 (indicating), you get a super well here, a super well
10 here (indicating), a dry hole here (indicating).

11 EX-OFFICIO MEMBER JOHNSTON: It's not
12 exactly like a Devonian shale well?

13 THE WITNESS: No. It's very inconsistent.
14 Even though you're drilling on the seismic data that
15 you have available, the problem that we're seeing, even
16 though you're drilling the same structure or attempting
17 to drill it, you're getting different results.

18 And it's my theory that what's going
19 on is a vertical situation where you've got these
20 structures but the fracture planes that are associated
21 with these structures, you may be drilling over here
22 (indicating) and the fracture plane is over here

1 (indicating). If you're lucky and you get into it and
2 you interconnect all of this, then you get these sixty-
3 five-hundred pounds or seven-thousand-pound pressures
4 and you get this tremendous volume. If you don't get
5 into that, you'll get a little gas but nothing of any
6 consequence. And that's what we're seeing.

7 And, like I said, this last well, I
8 understand, I think it's on the Whitlach, was a dry
9 hole. The Hensley reportedly was a dry hole. So
10 there's no consistency to it. What we're doing is
11 trying to take the data as we see it and pick the best
12 locations off the seismic data that we have available.

13 BY MEMBER HARTON:

14 Q Did you just say that you thought the
15 Whitlach was a dry hole?

16 A I may have-- No, the Whitlach did come
17 in. I'm sorry. It was the one above the Whitlach.
18 The Whitlach came in at, we were told, two to three
19 million.

20 Q The one north of there?

21 A The one north of there was a dry hole.
22 That's what we've been told.

1 MEMBER HARTON: Okay.

2 THE WITNESS: But the inconsistencies are
3 such that you make dramatic jumps. You've got a fifty-
4 five million here (indicating), you've got a two-
5 hundred million here (indicating), you've got a three
6 million here (indicating), and you've got a dry hole
7 here (indicating).

8 DIRECT EXAMINATION (resumed)

9 BY MR. DOLLISON:

10 Q Tim, have you reviewed the seismic data
11 in selecting the location for the Jett well? Is that
12 correct?

13 A No. No, I did not review that myself
14 personally. A gentleman named Paul Mueller, who's a
15 seismologist in Texas, reviewed it. In fact, those
16 four wells that are in red up there were done off of
17 his seismology.

18 Q Okay. Where is the closest producing
19 deep well in relation to the proposed Jett?

20 A That would be the Whitlach.

21 Q In your opinion, would the Whitlach and
22 the Jett produce from the same pool?

1 A There's no way of even guessing that
2 until you drill the well. I mean-- The problem you
3 have here is that you're dealing in these fractured
4 environments. And whether they're interconnected or
5 not, there's no way of telling, not until you've
6 drilled perhaps a hundred wells or two hundred.

7 MEMBER HARTON: How far is the Jett well
8 from the Whitlach well?

9 THE WITNESS: It's over three-thousand feet.
10 I would guess probably about a mile.

11 MEMBER HARTON: I want to know how far.

12 THE WITNESS: Look on--

13 MR. DOLLISON: I'd like if we could go off
14 the record maybe to see if we could use that actual map
15 and scale it off so we know exactly what we're talking
16 about.

17 CHAIRMAN LAY: Off the record.

18 (WHEREUPON, a discussion
19 was had off the record.)

20 CHAIRMAN LAY: Back on the record.

21 Go ahead.

22 MR. DOLLISON: What I would like to do is

1 have this map that Brett provided, if it's okay, marked
2 as Exhibit No. 9 and then use it so we can have the
3 exact distances and be correct.

4 CHAIRMAN LAY: With the caveat that we will
5 reproduce that and provide it as part of the record at
6 a later date. We cannot let this particular map out of
7 this--

8 MR. DOLLISON: That's fine. Thank you.

9 (WHEREUPON, said document
10 was marked for identification
11 as Exhibit No. 9.)

12 BY MR. DOLLISON:

13 Q Mr. Huffman, using the USGS map marked as
14 Exhibit No. 9, can you testify as to the distance of
15 the proposed Jett well from the CNR Hensley and the CNR
16 Whitlach well?

17 A Well, it's an approximate. If I had my
18 computer, I could give it to you exactly. But I would
19 estimate about eighty-two hundred feet from the
20 Whitlach and about fifty-two hundred feet from the
21 Hensley.

22 Q And just for the record, the Whitlach is,

1 on the map, permit number what?

2 A Forty-two-fifty-nine.

3 Q And the Hensley is permit number what?

4 A Forty-two-seventy-four.

5 Q Okay. Did you testify earlier that the
6 Hensley well was a dry hole?

7 A That again--

8 Q To the best of your information?

9 A To the best of my information, yes.

10 Q Okay. Based upon your experience and
11 review of the seismic in other wells in this trend, in
12 your opinion is the Jett well capable of producing from
13 any existing pool?

14 A Not to my-- Not at depth; not as a deep
15 well. We have no knowledge of that immediate area at
16 the present time.

17 MR. DOLLISON: Okay.

18 EXAMINATION

19 BY MEMBER HARTON:

20 Q Do you have specific knowledge of a
21 geologic barrier between the proposed Jett location,
22 the Whitlach, and the Hensley?

1 A Without having the seismic data present
2 to look at, I can't say. This is all based on
3 seismology.

4 Q I understand.

5 A And even that cannot tell you if a fault
6 is present. It may or may not be a barrier.

7 Q Is it possible that the Whitlach and the
8 Jett could draw from the same pool?

9 A It's possible but not likely.

10 DIRECT EXAMINATION (resumed)

11 BY MR. DOLLISON:

12 Q When you say "not likely," why do you say
13 that?

14 A Well, because if you look at the Jett's
15 relationship to the Whitlach and to the other wells
16 that have been productive and not productive, it is off
17 the structure. It's not on the same structure.

18 MEMBER HARTON: I need to ask a question but
19 I need to use the chalkboard to do it. Is that
20 permissible?

21 CHAIRMAN LAY: Yes. Go ahead.

22 EXAMINATION

1 BY MEMBER HARTON:

2 Q This is obviously not going to be to
3 scale. But we have the Whitlach here (indicating) and
4 the Jett here (indicating) and the Hensley due south of
5 the--

6 Okay. When you were drawing the
7 diagram up here earlier of Roane County, you had these
8 things going down through here like this (indicating).
9 Is there one of those in there?

10 A From my understanding, from what I've
11 talked to Paul, he's the seismologist, he says that
12 this is a different, that there's a different system
13 coming down through here (indicating). This is another
14 system going up like this (indicating).

15 EX-OFFICIO MEMBER JOHNSTON: Why isn't Paul
16 here today to testify?

17 THE WITNESS: Because he's in Forth Worth,
18 Texas. That's where his office is.

19 BY MEMBER HARTON:

20 Q Does he have any interpretation
21 available?

22 A I don't know, honestly. We were just

1 discussing it on the telephone last night.

2 EX-OFFICIO MEMBER JOHNSTON: Tim, do you
3 think the distances are sufficient between the wells in
4 question based on your professional opinion that it
5 would be a different pool?

6 THE WITNESS: Of all the wells that we've
7 seen so far, they all appear to be in different
8 environments. There's none of them appear to be in
9 exactly the same environment. They are different
10 depths. They have different pressure gradients. They
11 have different production volumes. According--

12 EXAMINATION

13 BY CHAIRMAN LAY:

14 Q Isn't that-- Excuse me. But isn't that
15 indicative of a stratigraphic type reservoir where you
16 have vugular porosity and secondary porosities?

17 A Uh-huh.

18 Q So even though you may encounter
19 different parameters in different wells, they may still
20 be fed and charged by the same reservoir?

21 A Well, it's totally possible that all of
22 this is being fed from the Conasuaga down below. But

1 you're talking about seventeen-thousand feet in depth.
2 And there's no way of knowing where you're going to
3 encounter it.

4 Q That is my point, particularly. You're
5 using the relationship that they're encountered at
6 different depths, but if in fact you are encountering
7 secondary porosities in association with a fault, deep-
8 seated fault, wouldn't you expect to encounter them at
9 different depths?

10 A Yeah. The question would be, when we're
11 talking about a pool situation, you're talking about
12 the same pressure gradients throughout that pool.
13 You're talking about if--

14 Out in Texas, when I was out there
15 working on those deep wells out there, if we opened,
16 say-- If we opened up a well down by Del Rio, Texas,
17 there was a structure something like nose-shaped, and
18 we were drilling, the Rio Grand was here (indicating),
19 if we opened up a well here (indicating), then the
20 pressure on this well over here (indicating) would
21 drop. That's a pool. You're all dealing in the same
22 situation. As far as I know, there's no indication of

1 that in these wells whatsoever.

2 EXAMINATION

3 BY MEMBER HARTON:

4 Q So in your professional opinion, each of
5 these wells so far have exhibited characteristics--

6 A Individual.

7 Q (continuing) that they are an individual
8 pool within themselves.

9 A Yes.

10 Q And their drainage area is less than the
11 distance--

12 A Involved in the--

13 Q (continuing) between these wells?

14 A Yes. That would be my professional
15 opinion at this time with the data that I have
16 available.

17 MEMBER HARTON: Okay.

18 THE WITNESS: But that's--

19 CHAIRMAN LAY: Okay.

20 MR. DOLLISON: And again in part the, you
21 said the Hensley well was a dry hole, correct?

22 THE WITNESS: That's what the word out--

1 MR. DOLLISON: That's what you understand?

2 THE WITNESS: That's what I understand.

3 MR. DOLLISON: Okay. Can we go off the
4 record a minute?

5 CHAIRMAN LAY: Yes.

6 (WHEREUPON, a discussion
7 was had off the record.)

8 CHAIRMAN LAY: Back on the record.

9 MR. DOLLISON: Let me just say that if the
10 Commission would like to look at the seismic data that
11 we have, it appears to me that they probably would, if
12 that would be helpful in their decision, I would like
13 to continue the hearing and then we can come back and
14 provide that data.

15 One of the issues that we've had is
16 that if it is so provided, will it be confidential and
17 can we keep it under seal. That's the issue. We don't
18 want to-- If we can't--

19 THE WITNESS: You could probably have Paul
20 come up and testify to his opinion without exposing the
21 data to the general public.

22 MEMBER HARTON: I'm not certain how this

1 works but I think anything that is entered into
2 evidence in this hearing--

3 THE WITNESS: Is public data.

4 MEMBER HARTON: (continuing) becomes public
5 record.

6 CHAIRMAN LAY: Right. I don't think we can
7 preserve that.

8 MEMBER HARTON: I don't know if we have the
9 authority to seal it or not.

10 MR. DOLLISON: Right.

11 EX-OFFICIO MEMBER JOHNSTON: I doubt it.

12 THE WITNESS: You could probably--

13 MR. DOLLISON: I mean, I could have him show
14 it to you but not make it part of the record, you know,
15 and take it back with him.

16 EX-OFFICIO MEMBER JOHNSTON: We've got to
17 have stuff on the record to make a decision with.

18 MR. DOLLISON: Right. I mean--

19 EX-OFFICIO MEMBER JOHNSTON: Barry, I don't
20 have any more questions.

21 CHAIRMAN LAY: Are you finished with your
22 examination?

1 MR. DOLLISON: I am finished with my
2 examination.

3 I just kind of had-- I mean, it's
4 one of the reasons we didn't bring it today.

5 CHAIRMAN LAY: We've had the same--
6 Everyone is reluctant to bring their science.

7 MEMBER HARTON: We understand that dilemma.

8 CHAIRMAN LAY: Yes. But we have no
9 mechanism for confidentiality of the documents because
10 anyone is welcome to come into this room at the hearing
11 and look at it. So it becomes part of the public
12 domain at that point.

13 So if you are finished with your
14 questioning or your evidence, is there any other
15 questions from any member of the Commission?

16 MEMBER HARTON: Are you entertaining his
17 motion to continue the hearing?

18 CHAIRMAN LAY: I haven't got to that point
19 yet.

20 If you're not willing to make that
21 information public and present the science, then I'm
22 not sure that, although you might be able to bring in

1 the-- Without showing the actual seismic, they may be
2 able to produce a rendering by--

3 MR. DOLLISON: Well, I mean, the most that
4 could happen is, he could come in and testify about his
5 opinion based on the seismic.

6 MEMBER HARTON: Have you seen the seismic?

7 THE WITNESS: I've seen most of it. He's
8 got some that I haven't seen.

9 MEMBER HARTON: You answered my question up
10 there.

11 THE WITNESS: Uh-huh, I've seen that
12 seismic.

13 MEMBER HARTON: Was it based on your
14 interpretation of that seismic?

15 THE WITNESS: Yes sir.

16 MEMBER HARTON: Okay.

17 THE WITNESS: Yeah, we have, like I say, a
18 number of miles of seismic. I have about fifty miles
19 in my possession. I've seen a lot more.

20 EX-OFFICIO MEMBER JOHNSTON: But in your
21 professional opinion, based on the information you've
22 reviewed, personally reviewed, each one of these wells

1 would constitute a separate and distinct pool unto
2 itself?

3 THE WITNESS: Yes sir. That's what it
4 appears at this time.

5 MEMBER HARTON: I think as the Commission
6 we've never seen anything that even supports or
7 disputes that.

8 CHAIRMAN LAY: You said you reviewed-- You
9 said that you have reviewed seismic. I assume when you
10 say that, that the seismic that you're speaking of is
11 in the general vicinity of these wells.

12 THE WITNESS: Yes sir.

13 CHAIRMAN LAY: Okay.

14 THE WITNESS: Right by them in most cases.

15 CHAIRMAN LAY: Okay.

16 THE WITNESS: Within very few feet.

17 CHAIRMAN LAY: And of the Jett and the
18 adjacent wells?

19 THE WITNESS: Yes sir.

20 CHAIRMAN LAY: Okay.

21 Any other questions from any members
22 of the Commission?

1 MEMBER HARTON: Do the respondents have
2 anything to add?

3 CHAIRMAN LAY: I was going to ask them.
4 Would you like to question the
5 witness?

6 EXAMINATION

7 BY MRS. JETT:

8 Q I would like to know when the seismic
9 took place.

10 A Well, the seismic in most of Roane County
11 was just completed here in the last year, six months.

12 Q To my knowledge, there was only one
13 company that run past my house and it was not BNG.

14 A No ma'am, it wasn't.

15 MR. JETT: How did you obtain it?

16 THE WITNESS: I can't--

17 MR. JETT: Because the people that done it,
18 I don't see how you got it.

19 THE WITNESS: I don't know the answer to
20 that. I've just seen it. I really don't know how it
21 was obtained. I just-- I know that the individuals in
22 Houston-- Now, I'm not privy to-- All I can do is,

1 they lay it out and I look at it and that's it.

2 (WHEREUPON, a discussion
3 was had off the record.)

4 EX-OFFICIO MEMBER JOHNSTON: Just for the
5 record, you're representing yourselves today, not
6 represented by counsel?

7 MR. JETT: Not today.

8 EX-OFFICIO MEMBER JOHNSTON: Okay.

9 CHAIRMAN LAY: Okay.

10 BY MRS. JETT:

11 Q You spoke of the Hoff well. Do you
12 have-- There's never been any production and it took
13 a year, a year and a half to do that. You know, I
14 don't want a little city in my back door for a year.

15 A I have no control. I'm just a geologist.

16 Q That's what I'm saying. Right now I'm
17 speaking of the company who they have employed to drill
18 this well.

19 MEMBER HARTON: With all due respect, that
20 kind of thing, this is not the place for it. We don't
21 have any jurisdiction over anything that's happened in
22 the past. We are here to deal with one specific

1 subject today and that's granting test well status.
2 And their history and the number of wells they've
3 drilled, and all those other things, have no bearing on
4 our decision.

5 MRS. JETT: I understand.

6 CHAIRMAN LAY: Do you have any other
7 questions that you would like to ask?

8 MRS. JETT: No.

9 CHAIRMAN LAY: Okay. You can be excused.
10 (Witness excused.)

11 CHAIRMAN LAY: Do you have any other
12 evidence you would like to put on?

13 MR. DOLLISON: No sir.

14 MEMBER HARTON: Are you granting the
15 continuance?

16 CHAIRMAN LAY: I'm just talking about
17 excusing this one witness.

18 MEMBER HARTON: Oh. I'm sorry.

19 CHAIRMAN LAY: Now I guess I need to address
20 that.

21 Are you specifically requesting a
22 continuance to present additional evidence at this

1 time?

2 MR. DOLLISON: I don't think so, no.

3 CHAIRMAN LAY: You're not?

4 MR. DOLLISON: Right.

5 CHAIRMAN LAY: Okay.

6 MR. DOLLISON: Based upon my understanding
7 that it can't be kept confidential, I think we'll just
8 proceed on the record today.

9 CHAIRMAN LAY: Okay.

10 Does anyone else have any other
11 questions?

12 MEMBER HARTON: Do they plan to submit any
13 evidence?

14 MRS. JETT: No. I just had a map similar to
15 that showing that I knew where each well had been
16 drilled in my vicinity. And I was in question of how
17 can this be a test well, you know, when there's already
18 been this many in that general area.

19 MEMBER HARTON: Was that question answered
20 for you today?

21 MRS. JETT: Not really because I don't
22 really understand the seismic. But I understand that

1 evidently they don't have any or it won't be presented.
2 After they did two or three test wells in one community
3 that close, I don't know how it could be called a test
4 well.

5 CHAIRMAN LAY: Okay.

6 Anything further?

7 (Pause.)

8 CHAIRMAN LAY: If not, I would like to go
9 off the record for a minute for the Commission to
10 adjourn and discuss what we've heard.

11 Thank you.

12 (WHEREUPON, a discussion
13 was had off the record.)

14 CHAIRMAN LAY: Back on the record for a
15 moment.

16 The Commission has met and discussed
17 this matter and we have agreed to accept the evidence
18 as presented today. We will issue an order with our
19 findings within the allotted time under the code and
20 we'll make a decision at that time. So we will notify
21 both parties as to what that decision is when the order
22 is issued.

1 Thank you for coming in today.

2 MR. DOLLISON: Thank you.

3 CHAIRMAN LAY: Does anyone else have
4 anything to say before I close this record?

5 MR. DOLLISON: What's the time period for
6 the decision?

7 CHAIRMAN LAY: I believe it's forty-five
8 days, isn't it, Brett?

9 MR. LOFLIN: I believe.

10 MR. DOLLISON: Thank you very much.

11 MEMBER HARTON: We'll try to do it a lot
12 quicker than that.

13 CHAIRMAN LAY: Thank you. We'll close the
14 record then.

REPORTER'S CERTIFICATE

I, the undersigned, Janet T. Surface, Stenomask Reporter and Notary Public in and for the State of West Virginia, duly commissioned and qualified, do hereby certify that the foregoing is, to the best of my skill and ability, a true and accurate transcript of the proceedings had and testimony taken in the above-styled hearing on the 22nd day of June, 2001.

I further certify that the said witness testifying in said hearing was duly sworn/affirmed by me to tell the truth.

Given under my hand this the 27th day of June, 2001.

Janet T Surface

Reporter and Notary Public

My commission expires September 21, 2002.

ORIGINAL

BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF WEST VIRGINIA

IN THE MATTER OF THE REQUEST BY BNG
DRILLING & PRODUCING, INC. FOR TEST
WELL STATUS ON TWO PROPOSED WELLS
TO BE LOCATED IN SMITHFIELD DISTRICT,
ROANE COUNTY, WEST VIRGINIA.

DOCKET NO. 139

CAUSE NO. 132

EXHIBITS NOS. 1, 2, 3, 4, 5, 6, 7, and ⁹ ~~8~~, entered
into evidence in the above-styled matter heard on
Friday, the 22nd day of June, 2001, at 10:00 a.m..

State of West Virginia
Department of Environmental Protection
OIL AND GAS CONSERVATION COMMISSION

1356 Hansford Street
Charleston, West Virginia 25301
Telephone: 558-6076
Fax: (304)558-6047

Barry K. Lay, Chairman
Michael W. Sinicropi, Member
Denny P. Harton, Member
John H. Johnston, Ex-Officio
Michael O. Callaghan, Ex-Officio

Bob Wise, Governor

**BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF WEST VIRGINIA**

**IN THE MATTER OF THE REQUEST BY BNG
DRILLING & PRODUCING, INC. FOR TEST
WELL STATUS ON TWO PROPOSED WELL
TO BE LOCATED IN SMITHFIELD DISTRICT,
ROANE COUNTY, WEST VIRGINIA.**

DOCKET NO. 139

CAUSE NO. 132

NOTICE OF HEARING

BNG Producing & Drilling, Inc., by fax dated May 9, 2001, has requested test well status on the proposed Jett #1 well, API 47-087-04284, and the Suttle #1 well, API 47-087-04288, to be located in Smithfield District, Roane County, West Virginia.

The hearing is scheduled as stated below:

DATE: June 22, 2001

TIME: 10:00 a.m.

**PLACE: Department of Environmental Protection
Office of Oil and Gas
1356 Hansford Street, 2nd Floor
Charleston, West Virginia 25301
(304) 558-6076**

IN THE NAME OF THE STATE OF WEST VIRGINIA:

**OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF WEST VIRGINIA**

By: Barry K. Lay
Barry K. Lay, Commissioner

Dated this 16th day of May, 2001, at Charleston, West Virginia.

eted on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

4a. Article Number

7099 3400 0018 2240 4779

Danny Jett
1234 Linden Road
Looneyville, West Virginia 25259

ce Type

tered

☒ Certified

ss Mail

☐ Insured

Receipt for Merchandise

☐ COD

f Delivery

5-25-01

5. Received By: (Print Name)

Danny Jett

6. Signature: (Addressee or Agent)

X

8. Addressee's Address (Only if requested and fee is paid)

Thank you for using Return Receipt Service.

Is your RETURN

Printed on the reverse side?

Is your RETURN

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Jimmie Jett
1529 Linden Road
Looneyville, West Virginia 25259

4a. Article Number

7099 3400 0018 2240 4281

Article Type

Registered

Special Mail

Receipt for Merchandise

Restricted Delivery

☒ Certified

☐ Insured

☐ COD

5. Received By: (Print Name)

Jimmie Jett

6. Signature: (Addressee or Agent)

X *Jimmie Jett*

8. Addressee's Address (Only if requested and fee is paid)

5-23-01

Thank you for using Return Receipt Service.

Printed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

4a. Article Number

Jeff Boggs
BNG Producing & Drilling
Post Office Box 148
Spencer, West Virginia 25276

7099 3400 0018 2240 4793

ce Type

tered

☒ Certified

ss Mail

☐ Insured

Receipt for Merchandise

☐ COD

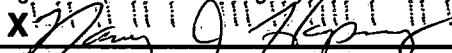
Delivery

5-220

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

X 

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Is your RETURN

Thank you for using Return Receipt Service.

SENT BY: _____

DEPARTMENT: _____

DO NOT METER

INTERDEPARTMENTAL MAIL

STATE OF WEST VIRGINIA
DIVISION OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS
WELL WORK PERMIT APPLICATION

87-04284

- 1) Well Operator: B N G Producing & Drilling Inc 87, 5, 635
- 2) Operator's Well Number: Jett # 1 3) Elevation: 1010
- 4) Well type: (a) Oil X / or Gas X /
 (b) If Gas: Production X / Underground Storage /
 Deep X / shallow /
- 5) Proposed Target Formation(s): Trenton Black River
- 6) Proposed Total Depth: 12,000 feet
- 7) Approximate fresh water strata depths: 160 Feet
- 8) Approximate salt water depths: 1800 Feet
- 9) Approximate coal seam depths: NA
- 10) Does land contain coal seams tributary to active mine? Yes / No X /
- 11) Proposed Well Work: Drill (TEST well)
- 12)

EXHIBIT
NO. 2**CASING AND TUBING PROGRAM**

TYPE	SPECIFICATIONS		FOOTAGE INTERVALS		CEMENT	
	Size	Grade	Weight per ft.	For drilling	Left in well	Fill-up (cu. ft.)
Conductor	20	R-3		200 Ft	200 Ft	Surface
Fresh Water	13 3/8	R-3 J-55	61 #	2500 Ft	2500 FT	Surface
Coal						
Intermediate	9 5/8	R-3 N80	43.5 #	6,700 Ft	6,700 FT	250 sks
Production	7	R-3 P-110	26 #	10,000 Ft	10,000 Ft	450 sks
Tubing						
Liners						

PACKERS : Kind
 Sizes
 Depths set

For Office of Oil and Gas Use Only

☐ Fee(s) paid: ☐ Well Work Permit ☐ Reclamation Fund ☐ WPCP
☐ Plat ☐ WW-9 ☐ WW-2B ☐ Bond ☐ Agent
 (Type)

4456

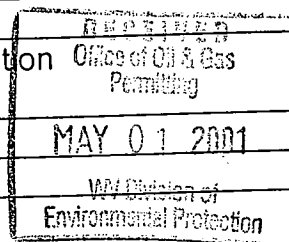
05-01-01 P03:00 IN

1) Date: _____
2) Operator's Well Number
Jett #1
3) API Well No.: 47 - _____
State _____ County _____ Permit _____

**STATE OF WEST VIRGINIA - BUREAU OF ENVIRONMENT
DIVISION OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS
NOTICE AND APPLICATION FOR A WELL WORK PERMIT**

4) Surface Owner(s) to be served:
(a) Name DANNY JETT
Address 1234 LINDEN Rd
Looneyville, WV 25259
(b) Name _____
Address _____
(c) Name _____
Address _____
6) Inspector _____
Address _____
Telephone _____

5) (a) Coal Operator
Name _____
Address _____
(b) Coal Owner(s) with Declaration
Name _____
Address _____
Name _____
Address _____
(c) Coal Lessee with Declaration
Name _____
Address _____



TO THE PERSONS NAMED ABOVE TAKE NOTICE THAT:

Included is the lease or leases or other continuing contract or contracts by which I hold the right to extract oil and gas
OR
Included is the information required by Chapter 22, Article 6, Section 8(d) of the Code of West Virginia (see page 2)
I certify that as required under Chapter 22-6 of the West Virginia Code I have served copies of this notice and application, a location plat, and accompanying documents pages 1 through _____ on the above named parties by:
☐ Personal Service (Affidavit attached)
☒ Certified Mail (Postmarked postal receipt attached)
☐ Publication (Notice of Publication attached)

I have read and understand Chapter 22-6 and 35 CSR 4, and I agree to the terms and conditions of any permit issued under this application.

I certify under penalty of law that I have personally examined and am familiar with the information submitted on this application form and all attachments, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate and complete.

I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment.

Well Operator

By:

Its:

Address

Telephone

B.N.G. Producing & Drilling, Inc
Jett Boggs
PRESIDENT
1248 Charleston Rd
Spencer, WV 25276
304-927-1236

Subscribed and sworn before me this

1st

day of

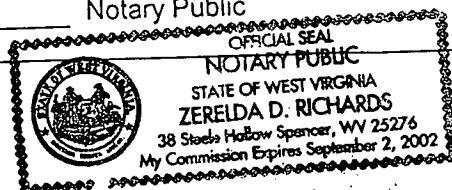
May

2001

My Commission Expires

Sept 2, 2001

Notary Public



Form WW-2A-1
(4/99)

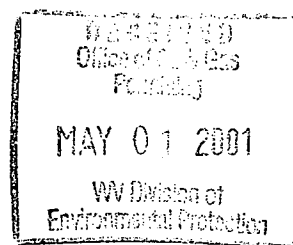
Operator's Well Number Jett #1

INFORMATION SUPPLIED UNDER WEST VIRGINIA CODE
Chapter 22, Article 6, Section 8(d)
IN LIEU OF FILING LEASE(S) AND OTHER CONTINUING CONTRACT(S)

Under the oath required to make the verification on page 1 of this Notice and Application, I depose and say that I am the person who signed the Notice and Application for the Applicant, and that -

- (1) the tract of land is the same tract described in this Application, partly or wholly depicted in the accompanying plat, and described in the Construction and Reclamation Plan;
- (2) the parties and recordation data (if recorded) for lease(s) or other continuing contract(s) by which the Applicant claims the right to extract, produce or market the oil or gas are as follows:

Grantor, lessor, etc.	Grantee, lessee, etc.	Royalty	Book/Page
Clennie + Pearl Suttle	Sterling Drilling + Production Co, Inc	1/8	153/739



Well Operator: BNG Producing + Drilling +
By: [Signature]
Its: Secretary

SURFACE OWNER WAIVER

County Roane

Operator _____
Operator well number _____

BNG Producing + Drilling In
JETT#1

INSTRUCTIONS TO SURFACE OWNERS NAMED ON PAGE WW2-A

The well operator named on page WW2A is applying for a permit from the State to do oil or gas well work. (Note: If the surface tract is owned by more than three persons, then these materials were served on you because your name appeared on the Sheriff's tax ticket on the land or because you actually occupy the surface tract. In either case, you may be the only owner who will actually receive these materials.) See Chapter 22 of the West Virginia Code. Well work permits are valid for 24 months. If you do not own any interest in the surface tract, please forward these materials to the true owner immediately if you know who it is. Also, please notify the well operator and the Office of Oil and Gas.

NOTE: YOU ARE NOT REQUIRED TO FILE ANY COMMENT.

FORMATION:

Chief, Office of Oil and Gas
Division of Environmental P
1356 Hansford Street
Charleston, Wv 25301
(304) 558-6342

Oil and Gas Inspector
address listed on page WW2-A)



Article Sent To:	

Postage	\$ 34
Certified Fee	19
Return Receipt Fee (Endorsement Required)	25
Restricted Delivery Fee (Endorsement Required)	26
Total Postage & Fees	\$ 6.74

Name (Please Print Clearly) (To be completed by mailer)	
DANNY JETT	
Street, Apt. No., or PO Box No.	
1234 LINDEN Road	
City, State, ZIP+ 4	
Loonerville, WV 25259	
PS Form 3800, July 1999 See Reverse for Instructions	

erials to be served on or before the filing date to file your comments. me stated above. You may call the delivery time or to arrange special igned a "voluntary statement of no ed at any time.

ddress and telephone number, the ell site including district and county graphs to support your comments. nents on the following grounds:

MAY 01 2001

Time Limits and r

date the operator files his Comments must be filed in Chief's office to be sure of expedited handling. If you objection" to the planned wc

Comments must t

well operator's name and w from the application. You m

The Chief has the p

- 1) The proposed w
- 2) The soil erosion and sediment control plan is not adequate or effective;
- 3) Damage would occur to publicly owned lands or resources;
- 4) The proposed well work fails to protect fresh water sources or supplies;
- 5) The applicant has committed a substantial violation of a previous permit or a substantial violation of one or more of the rules promulgated under Chapter 22, and has failed to abate or seek review of the violation..."

If you want a copy of the permit as it is issued or a copy of the order denying the permit, you should request a copy from the Chief.

List of Water Testing Laboratories. The Office maintains a list of water testing laboratories which you can hire to test your water to establish water quality prior to and after drilling. Contact the Chief to obtain a copy.

VOLUNTARY STATEMENT OF NO OBJECTION

I hereby state that I have read the instructions to surface owners and that I have received copies of a Notice and Application for a Well Work Permit on Form WW2-A, and attachments consisting of pages 1 through ___ including a work order on Form WW2-B, a survey plat, and a soil and erosion plan, all for proposed well work on my surface land as described therein.

I further state that I have no objection to the planned work described in these materials, and I have no objection to a permit being issued on those materials.

FOR EXECUTION BY A NATURAL PERSON

FOR EXECUTION BY A CORPORATION, ETC.

Signature

Date

Name
By
Its

Signature

Date

Page of
2) Operator's Well Number JETT #1
3) API Well No.: 47 - 087 -
State County Permit

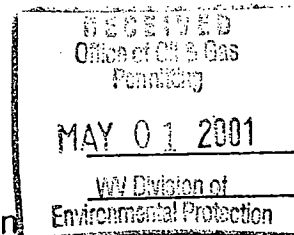
STATE OF WEST VIRGINIA
DIVISION OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS
CONSTRUCTION AND RECLAMATION PLAN AND SITE REGISTRATION APPLICATION FORM
GENERAL PERMIT FOR OIL AND GAS PIT WASTE DISCHARGE

Operator Name B.N.G. PROD. & DRILL. OP ID
Watershed HAYES RUN Quadrangle TARLEFF
Elevation 1010' County ROANE District SMITHFIELD
Description of anticipated Pit Waste: DRILLING FLUID

Will a synthetic liner be used in the pit? YES

Proposed Disposal Method for Treated Pit Wastes:

- ☒ Land Application
☐ Underground Injection - UIC Permit Number
☐ Reuse (at API Number)
☐ Offsite Disposal (Supply form WW-9 disposal location)
☐ Other (Explain)



Proposed Work for Which Pit Will be Used:

- ☒ Drilling Swabbing
☐ Workover Plugging
☐ Other (Explain)

I certify that I understand and agree to the terms and conditions of the GENERAL WATER POLLUTION Permit issued on June 14, 1994, by the Office of Oil and Gas of the West Virginia Division of Environmental Protection. I understand that the provisions of the permit are enforceable by law. Violations of any terms or conditions of the general permit and/or other applicable law or regulation can lead to enforcement action.

I certify under penalty of law that I have personally examined and am familiar with the information submitted on this application form and all attachments thereto and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine or imprisonment.

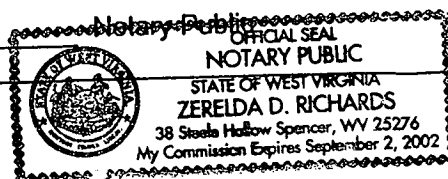
Company Official Signature [Signature]

Company Official (Typed or Printed) Jeffery C. Boggs

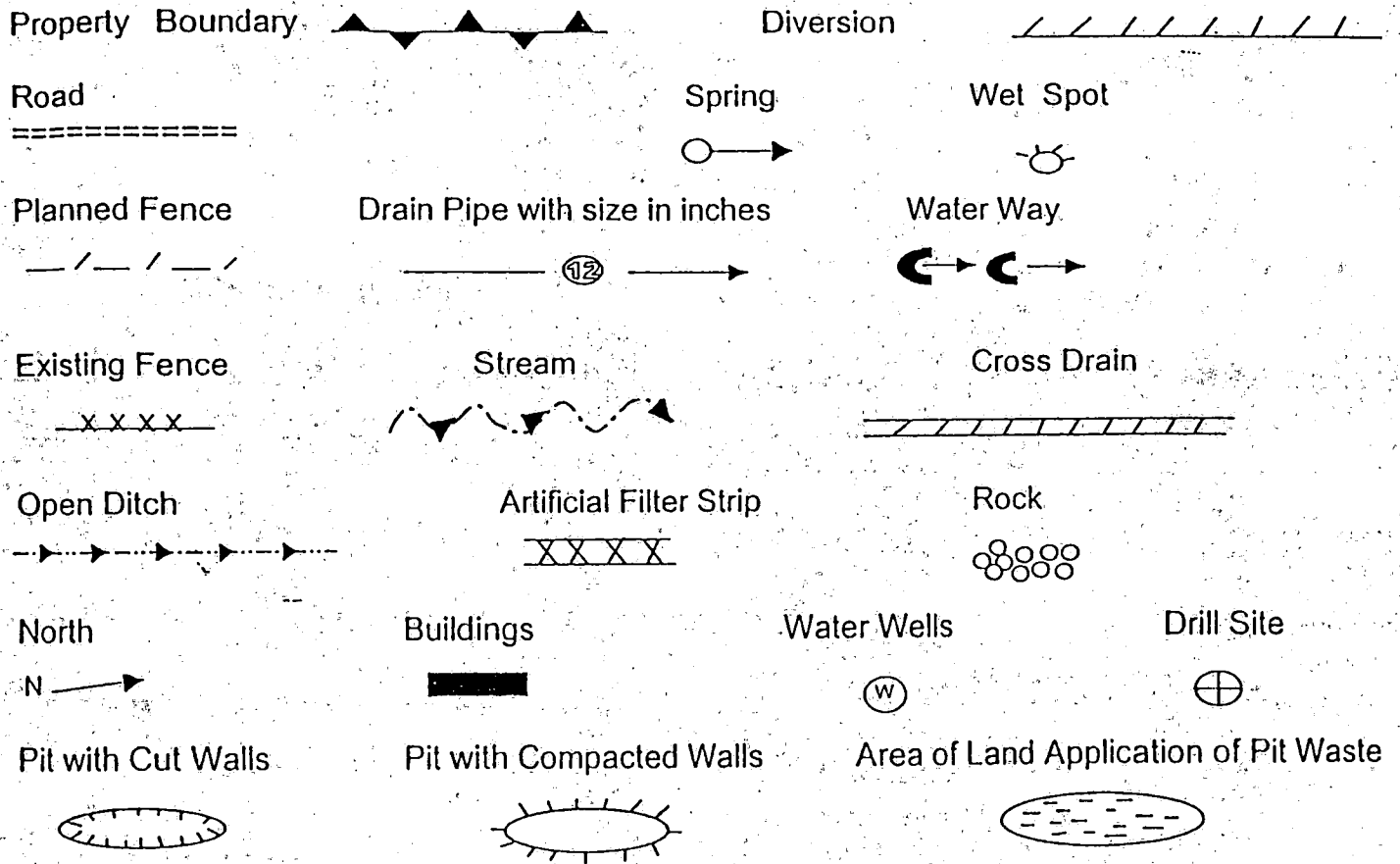
Company Official Title Secretary

Subscribed and sworn before me this 1st day of May, 2001

My Commission Expires Sept 2, 2003



LEGEND



Proposed Revegetation Treatment: Acres Disturbed ± 3 AC Prevegetation pH 6.5

Lime 2 Tons/acre or to correct to pH 6.5

Fertilizer (10-20-20) or equivalent 600 Lbs/acre (500 lbs minimum)

Mulch 2 Tons/acre or hydroseed.

SEED MIXTURES

Area I		Area II	
Seed Type	Lbs/acre	Seed Type	Lbs/acre
TALL FESCUE	40	TALL FESCUE	40
PERENNIAL RYE	15	PERENNIAL RYE	15
LADINO CLOVER	5	LADINO CLOVER	5

ATTACH:

Drawing(s) of road, location, pit and proposed area for land application.
Photocopies section of involved 7.5' topographic sheet.

Plan approved by: H. H. Dougherty

Title: District Inspector Date: 3/12/01

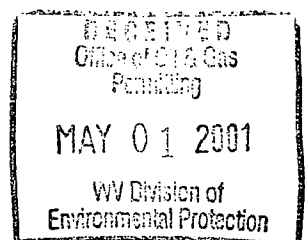
Field Reviewed? ☒ Yes ☐ No

THIS ASSIGNMENT, made and entered into this 10th day of February, 1993, by and between PRIME OPERATING COMPANY, formerly Sterling Drilling and Production Co., Inc., a Texas Corporation, hereinafter referred to as "ASSIGNOR" and C.I. MCKOWN & SON, INC., a West Virginia Corporation, hereinafter referred to as "ASSIGNEE".

WITNESSETH: That for and in consideration of the sum of ten dollars (\$10.00) cash in hand paid by ASSIGNEE to ASSIGNOR, the receipt of which is hereby acknowledged, the ASSIGNOR does hereby assign, sell, grant, convey, transfer and set-over unto ASSIGNEE and ASSIGNEE does hereby accept and assume from ASSIGNOR all of ASSIGNOR'S right, title and interest in and to those certain oil and/or gas leases (hereinafter the "Leases"), more particularly set forth in Exhibit "A" attached hereto and made a part hereof, and any and all wells and equipment on said Leases, together with all legal obligations and liabilities associated with such Leases; wells and equipment.

This Assignment is made subject to an unrecorded Assignment and Agreement dated January 20, 1993, which more fully sets forth the terms of this sell of leases.

This Assignment and shall be binding upon and shall inure to the benefit of the parties hereto, their heirs, successors and assigns.



IN WITNESS WHEREOF, ASSIGNOR AND ASSIGNEE have executed
this Assignment the day and year first written
above.

ASSIGNOR: PRIME OPERATING COMPANY
(FORMERLY STERLING DRILLING AND
PRODUCTION COMPANY, INC.)

By: Bennie H. Wallace, Jr.
Its: VP Operations

ASSIGNEE: C.I. MCKOWN & SON, INC.

By: [Signature]
Its: President

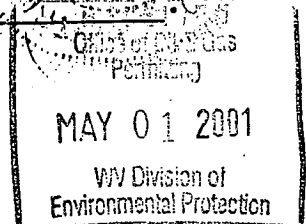
Connecticut
STATE OF ~~WEST VIRGINIA~~
Fairfield
COUNTY OF ~~KANAWHA~~

I, Tracy S. Dawley, a notary public in and
for said county and state, do hereby certify that the
foregoing instrument was acknowledged before me by Bennie
H. Wallace, Jr., the Vice-President of Operations
of Prime Operating Company, on behalf of and as a duly
authorized representative of said company on this the 18th
day of February, 1993.

Tracy S. Dawley
Notary Public

My commission expires _____

My Commission Expires February 28, 1997



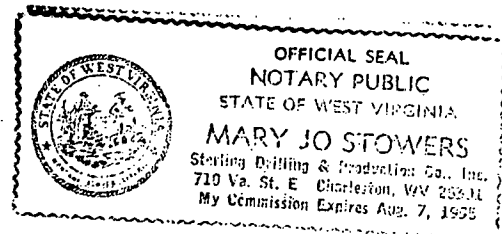
STATE OF WEST VIRGINIA

COUNTY OF Kanawha

I, Mary Jo Stowers, a notary public in
and for said county and state do hereby certify that the
foregoing instrument was acknowledged before me by C.I.
McKown, Jr. the Vice President of C.I.
McKown & Son, Inc., on behalf of and as a duly authorized
representative of said corporation on this the 10th day of
February
~~January~~, 1993.

Mary Jo Stowers
Notary Public

My commission expires August 7, 1995.



This instrument was prepared by:
Mary Jo Stowers
Prime Operating Company
714 1/2 Lee Street East
Charleston, WV 25301

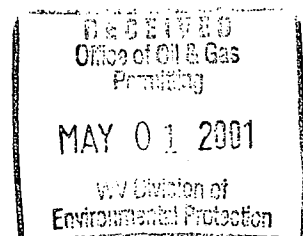
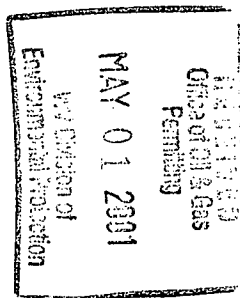


EXHIBIT "A"
 ASSIGNMENT OF LEASES
 February 10, 1993
 PRIME OPERATING COMPANY
 TO
 C.I. MCKOWN & SON, INC.

LEASE NAME & NUMBER	COUNTY/DISTRICT	LESSOR	LEASE BOOK/PAGE	ACRES	WELL #/API#
SUTTLE 095-005	ROANE/SMITHFIELD	CLENNIE & PEARL SUTTLE	153/739	24	421 47-087-3378
		DANNY & PAMELA JETT	153/741	119	422 47-087-3379
SUTTLE 095-006	ROANE/SMITHFIELD	HERBERT & REBECCA SUTTLE	153/741 153/739	24	454 47-087-3408



*Jett
 Lease BK 155
 page 748*

STATE OF WEST VIRGINIA.
 ROANE COUNTY COMMISSION CLERK'S OFFICE. 1 Mar 1993 1:55 PM

Book No. 199

The foregoing instrument together with the certificate thereto annexed, was this date admitted to record in said office.

File No. 60801

Fee \$ 400

LORETTA J. KNAPP, Clerk

By Charlene M. Stewart Deputy

West Virginia Division of Environmental Protection
Office of Oil and Gas

NOTICE TO SURFACE OWNERS

The well operator named below is preparing to file for a permit from the state to drill a new well. Before a well work permit can be filed with the Chief of the Office of Oil and Gas, the well operator is required to have given notice of the right to request water well or spring analytical testing. This notice shall be given to the owners or occupants of land which have a water well or spring being utilized for human consumption, domestic animals, or other general use and which is located within 1000 feet of the proposed well site.

With this form, the operator is giving you notice of your right to request analytical testing. The operator is required to sample and analyze the water wells or springs of all owners or occupants who request it. Therefore, if you wish to have your water well or spring tested, contact the operator named below.

All sampling shall be completed prior to drilling. Within thirty (30) days of the receipt of such sample analyses the operator shall submit the results to the Chief of the Office of Oil and Gas and to the owners or occupants who may have requested them.

If no water well or spring is located within 1000 feet, the Chief may require the operator to sample and analyze water from a water well or spring within 2000 feet of the proposed well site.

Be advised, you have the right to sample and analyze any water supply at your own expense.

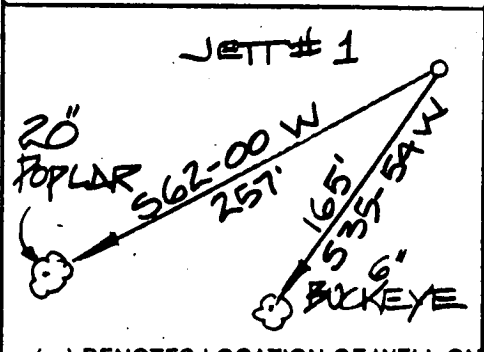
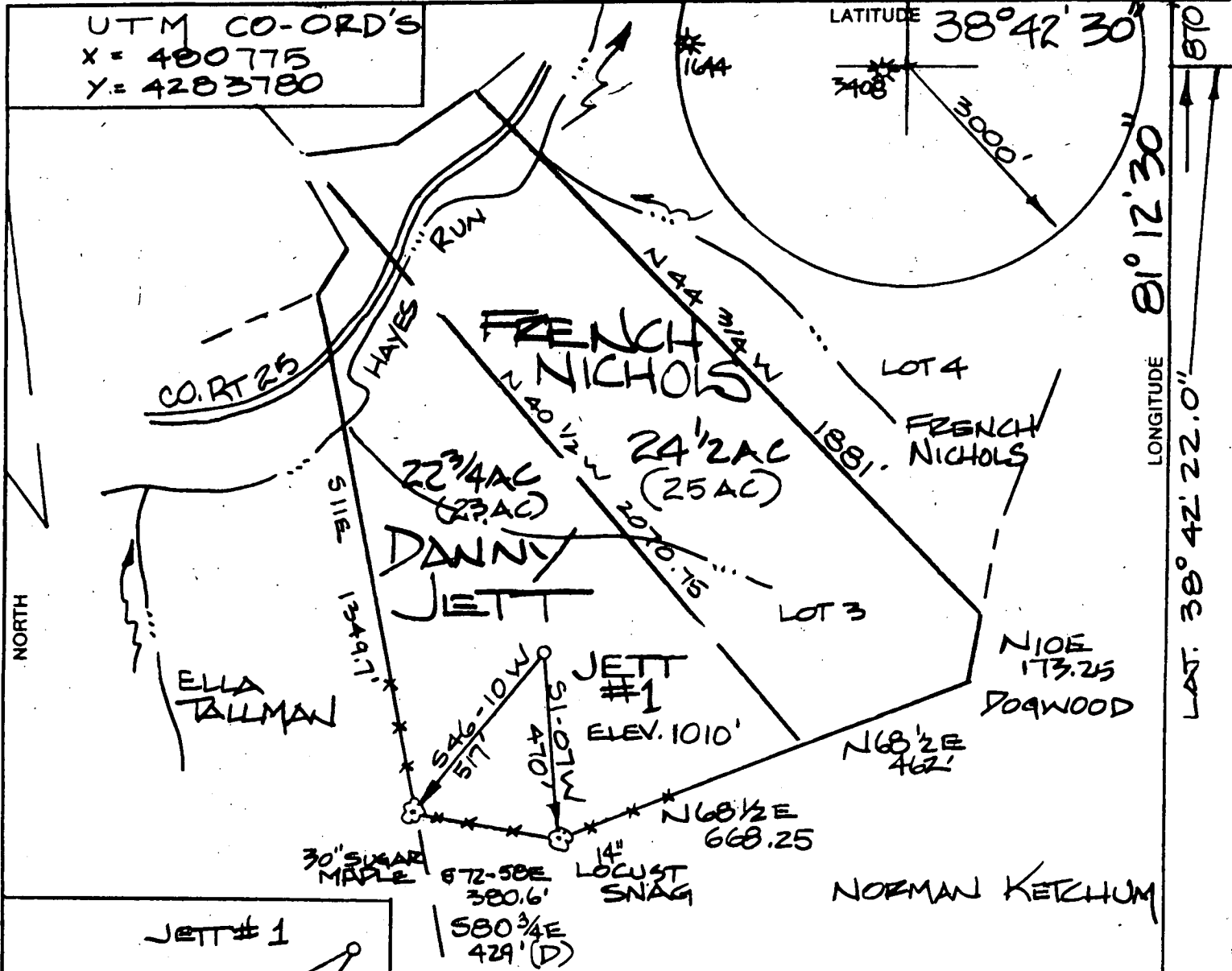
The laboratory used by the operator to analyze the samples will be approved by the Chief. The operator named below has decided to use the following laboratory to analyze the water samples:

_____	Contractor Name	_____
_____	Well operator's private laboratory	_____
Well Operator	<u>B.N.G. Producing & Drilling, INC</u>	
Address	<u>1248 Charleston RD</u>	
	<u>SPencer, WV 25276</u>	
Telephone	<u>304-927-1236</u>	

Stamp: MAY 01 2001
WV Division of Environmental Protection

FOR OPERATOR'S USE ONLY: Below, or on an attached page, list those persons which were given this notice. Place an asterisk beside the one(s) that contacted you and requested sampling and analyses. If there were no requests made, indicate by underling which one you have selected to sample and analyze. If there are no water wells or springs within 1000 feet of the proposed site please indicate such.

No Houses within 1000 feet

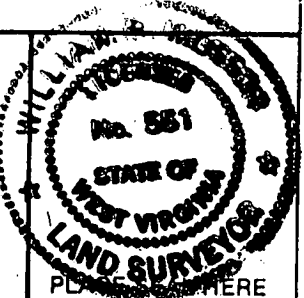


I CERTIFY THAT JETT #1
IS + 400 FROM ANY LEASE
LINE AND + 3000 FROM
ANY PERMITTED DEEP WELL ON
THIS DATE

(+) DENOTES LOCATION OF WELL ON UNITED STATES TOPOGRAPHIC MAPS

FILE NO. _____
DRAWING NO. _____
SCALE 1" = 400'
MINIMUM DEGREE OF
ACCURACY 1:200
PROVEN SOURCE OF
ELEVATION G.P.S.
SURVEY

I THE UNDERSIGNED, HEREBY CERTIFY THAT
THIS PLAT IS CORRECT TO THE BEST OF MY
KNOWLEDGE AND BELIEF AND SHOWS ALL THE
INFORMATION REQUIRED BY LAW AND THE REGU-
LATIONS ISSUED AND ENFORCED BY THE DEPT-
MENT OF ENERGY
(SIGNED) _____
R.P.E. _____ P.S. 551



STATE OF WEST VIRGINIA
DEPARTMENT OF ENERGY
DIVISION OF OIL AND GAS



DATE 2 MARCH 20 01
OPERATOR'S WELL NO. JETT #1
API WELL NO. 47-087
STATE COUNTY PERMIT

WELL TYPE: OIL GAS ☒ LIQUID INJECTION WASTE DISPOSAL
(IF "GAS,") PRODUCTION ☒ STORAGE DEEP ☒ SHALLOW
LOCATION: ELEVATION 1010' WATER SHED HAYES RUN
DISTRICT SMITHFIELD COUNTY ROANE
QUADRANGLE TARIFF
SURFACE OWNER DANNY JETT ACREAGE 22 3/4
OIL & GAS ROYALTY OWNER JETT 23AC + NICHOLS 25 LEASE ACREAGE 48
PROPOSED WORK: DRILL ☒ CONVERT DRILL DEEPER REDRILL FRACTURE OR
STIMULATE PLUG OFF OLD FORMATION PERFORATE NEW
FORMATION ☒ OTHER PHYSICAL CHANGE IN WELL (SPECIFY) TEST WELL

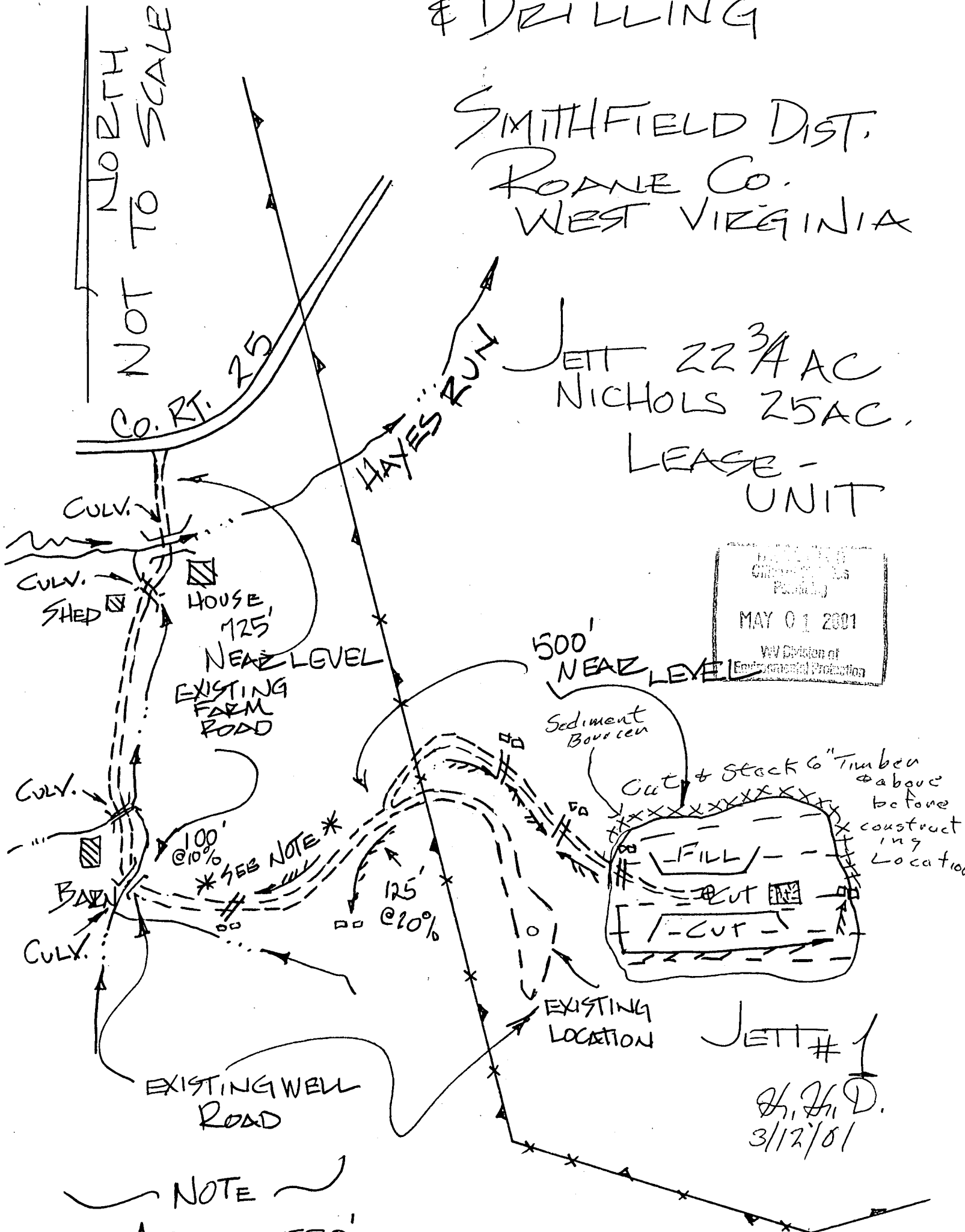
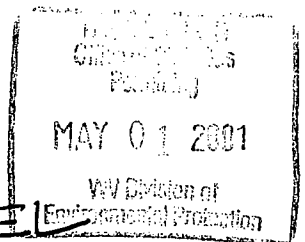
PLUG AND ABANDON CLEAN OUT AND REPLUG
TARGET FORMATION TRENTON - WASH ESTIMATED DEPTH 1000'
WELL OPERATOR BING PROD. & DRILL. DESIGNATED AGENT JEFF BOGGS
ADDRESS 1248 CHARLESTON ROAD ADDRESS 1248 CHARLESTON ROAD
SPENCER, WV 25276 SPENCER, WV 25276

COUNTY NAME
PERMIT

B.N.G. PRODUCING & DRILLING

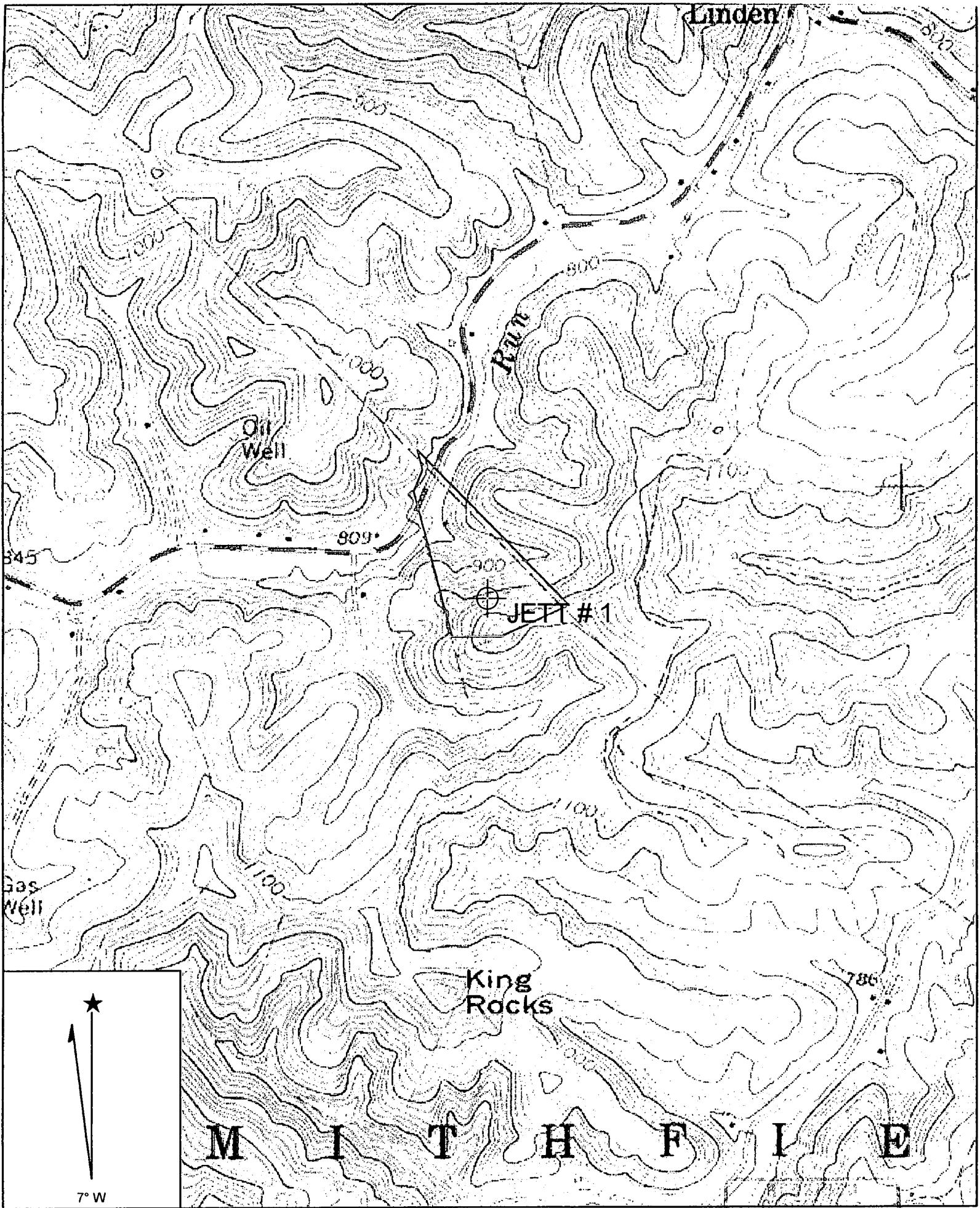
SMITHFIELD DIST.
ROANE CO.
WEST VIRGINIA

JETT 22³/₄ AC
NICHOLS 25 AC.
LEASE -
UNIT



NOTE
APPROX. 550'
ALONG EXISTING
WELL ROAD @ 22% to 28%
SLOPE.

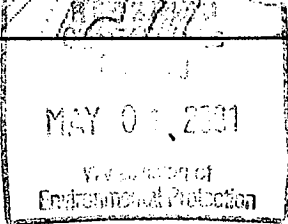
DIVERSIONAL DITCHES
WILL BE PLACED AS
NECESSARY



Copyright (C) 1997, Maptech, Inc.

TARIFF QUADRANGLE

SCALE 1" = 1000'



B. N. G. PRODUCING & DRILLING , INC
JETT # 1
JETT 22 3/4 ACRE / NICHOLS 25 ACRE LEASE - UNIT
SMITHFIELD DISTRICT ROANE COUNTY WEST VIRGINIA

STATE OF WEST VIRGINIA
DIVISION OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS
WELL WORK PERMIT APPLICATION

87-04288

- 1) Well Operator: R.N.G. Producing & Drilling, Inc 087-5-639
- 2) Operator's Well Number: Suttle #1 3) Elevation: 997
- 4) Well type: (a) Oil X / or Gas X /
- (b) If Gas: Production X / Underground Storage /
 Deep X / shallow
- 5) Proposed Target Formation(s): Trenton Black River
- 6) Proposed Total Depth: 12,000 feet
- 7) Approximate fresh water strata depths: 160 Feet
- 8) Approximate salt water depths: 1800 Feet
- 9) Approximate coal seam depths: NA
- 10) Does land contain coal seams tributary to active mine? Yes / No X /
- 11) Proposed Well Work: Drill (TEST WELL)
- 12)

EXHIBIT
NO. 3

CASING AND TUBING PROGRAM

TYPE	SPECIFICATIONS			FOOTAGE INTERVALS		CEMENT
	Size	Grade	Weight per ft.	For drilling	Left in well	Fill-up (cu. ft.)
Conductor	20	R-3		200 Ft	200 Ft	Surface
Fresh Water	13 3/8	R-3 J-55	61 #	2500 Ft	2500 FT	Surface
Coal						
Intermediate	9 5/8	R-3 N80	43.5 #	6,700 Ft	6,700 FT	250 sks
Production	7	R-3 P-110	26 #	10,000 Ft	10,000 Ft	450 sks
Tubing						
Liners						

PACKERS : Kind
 Sizes
 Depths set

OFFICE OF OIL AND GAS
 DIVISION OF ENVIRONMENTAL PROTECTION

MAY 02 2384

For Office of Oil and Gas Use Only

☐ Fee(s) paid: ☐ Well Work Permit ☐ Reclamation Fund ☐ WPCP

☐ Plat ☐ WW-9 ☐ WW-2B ☐ Bond ☐ Agent

(Type)

4450

1) Date: _____
2) Operator's Well Number
SUTTLE #1
3) API Well No.: 47 - _____
State _____ County _____ Permit _____

STATE OF WEST VIRGINIA - BUREAU OF ENVIRONMENT
DIVISION OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS
NOTICE AND APPLICATION FOR A WELL WORK PERMIT

4) Surface Owner(s) to be served:
(a) Name Jimmy Jett ✓
Address 1529 Linden Rd.
Looneyville, WV 25259
(b) Name _____
Address _____
(c) Name _____
Address _____
6) Inspector _____
Address _____
Telephone _____

5) (a) Coal Operator
Name _____
Address _____
(b) Coal Owner(s) with Declaration
Name _____
Address _____
Name _____
Address _____
(c) Coal Lessee with Declaration
Name _____
Address _____

RECEIVED
DIVISION OF
ENVIRONMENTAL PROTECTION
MAY 01 2001

TO THE PERSONS NAMED ABOVE TAKE NOTICE THAT

Included is the lease or leases or other continuing contract or contracts by which I hold the right to extract oil and gas
OR

Included is the information required by Chapter 22, Article 6, Section 8(d) of the Code of West Virginia (see page 2)
I certify that as required under Chapter 22-6 of the West Virginia Code I have served copies of this notice and application, a location plat, and accompanying documents pages 1 through _____ on the above named parties by:

- ____ Personal Service (Affidavit attached)
X Certified Mail (Postmarked postal receipt attached)
____ Publication (Notice of Publication attached)

I have read and understand Chapter 22-6 and 35 CSR 4, and I agree to the terms and conditions of any permit issued under this application.

I certify under penalty of law that I have personally examined and am familiar with the information submitted on this application form and all attachments, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate and complete.

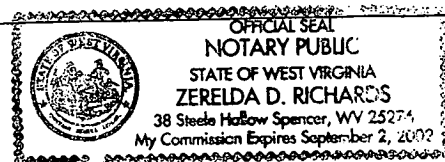
I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment.

Well Operator BNG Producing & Drilling Inc
By: [Signature]
Its: [Signature]
Address 1248 Charleston Rd
Spencer, WV 25276
Telephone 304-927-1236

Subscribed and sworn before me this 1st day of May, 2001

[Signature]
My Commission Expires Sept 2, 2003

Notary Public



SURFACE OWNER WAIVER

County Roane

Operator
Operator well number

BNG Producing & Drilling
SUTLE #1

INSTRUCTIONS TO SURFACE OWNERS NAMED ON PAGE WW2-A

The well operator named on page WW2A is applying for a permit from the State to do oil or gas well work. (Note: If the surface tract is owned by more than three persons, then these materials were served on you because your name appeared on the Sheriff's tax ticket on the land or because you actually occupy the surface tract. In either case, you may be the only owner who will actually receive these materials.) See Chapter 22 of the West Virginia Code. Well work permits are valid for 24 months. If you do not own any interest in the surface tract, please forward these materials to the true owner immediately if you know who it is. Also, please notify the well operator and the Office of Oil and Gas.

NOTE: YOU ARE NOT REQUIRED TO FILE ANY COMMENT.

WHERE TO FILE COMMENTS AND OBTAIN ADDITIONAL INFORMATION:

Chief, Office of Oil and Gas
Division of Environmental Protection
1356 Hansford Street
Charleston, Wv 25301
(304) 558-6342

OR District Oil and Gas Inspector
(Name and address listed on page WW2-A)

Time Limits and methods for filing
date the operator files his Application. You
Comments must be filed in person or received
Chief's office to be sure of the date. Check
expedited handling. If you have been contacted
objection" to the planned work described in the

Comments must be in writing. You
well operator's name and well number and the
from the application. You may add other documents.

The Chief has the power to deny or condition

- 1) The proposed well work will constitute a
- 2) The soil erosion and sediment control
- 3) Damage would occur to publicly owned
- 4) The proposed well work fails to protect
- 5) The applicant has committed a violation

more of the rules promulgated under the

If you want a copy of the permit application

List of Water Testing Laboratories. The Office maintains a list of water testing laboratories which you can hire to test your water to establish water quality prior to and after drilling. Contact the Chief to obtain a copy.

VOLUNTARY STATEMENT OF NO OBJECTION

I hereby state that I have read the instructions to surface owners and that I have received copies of a Notice and Application for a Well Work Permit on Form WW2-A, and attachments consisting of pages 1 through ___ including a work order on Form WW2-B, a survey plat, and a soil and erosion plan, all for proposed well work on my surface land as described therein.

I further state that I have no objection to the planned work described in these materials, and I have no objection to a permit being issued on those materials.

FOR EXECUTION BY A NATURAL PERSON

FOR EXECUTION BY A CORPORATION, ETC.

Signature

Date

Name
By
Its

Date

Signature

Date

U.S. Postal Service CERTIFIED MAIL RECEIPT (Domestic Mail Only - No Insurance Coverage Provided)	
Article Sent To: _____	
Postage \$ <u>34</u>	262728293
Certified Fee \$ <u>1.50</u>	Postmark Here
Return Receipt Fee (Endorsement Required) \$ <u>2.00</u>	
Restricted Delivery Fee (Endorsement Required) \$ <u>2.00</u>	
Total Postage & Fees \$ <u>6.44</u>	
Name (Please Print Clearly) (To be completed by mailer) <u>Jimmy Jett</u>	
Street, Apt. No., or PO Box No. <u>1529 LINDEN</u>	
City, State, ZIP+4 <u>Loonville, WV 25259</u>	
PS Form 3800, July 1999 See Reverse for Instructions	

on or before the
your comments.
You may call the
to arrange special
statement of no

one-number, the
district and county
your comments.
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2001

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election
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a violation...".
mit, you should

West Virginia Division of Environmental Protection
Office of Oil and Gas

NOTICE TO SURFACE OWNERS

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Be advised, you have the right to sample and analyze any water supply at your own expense.

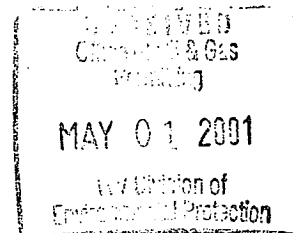
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____ Contractor Name _____
____ Well operator's private laboratory _____

Well Operator BNG Producing & Drilling, Inc
Address 1248 Charleston Rd
Spencer, WV 25276
Telephone 304-927-1236

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NO Houses within 1000 ft.



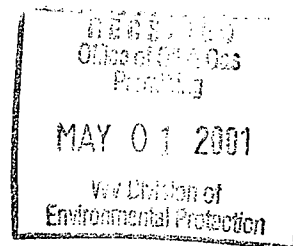
Operator's Well Number SUTTLE # 1

INFORMATION SUPPLIED UNDER WEST VIRGINIA CODE
Chapter 22, Article 6, Section 8(d)
IN LIEU OF FILING LEASE(S) AND OTHER CONTINUING CONTRACT(S)

Under the oath required to make the verification on page 1 of this Notice and Application, I depose and say that I am the person who signed the Notice and Application for the Applicant, and that –

- (1) the tract of land is the same tract described in this Application, partly or wholly depicted in the accompanying plat, and described in the Construction and Reclamation Plan;
- (2) the parties and recordation data (if recorded) for lease(s) or other continuing contract(s) by which the Applicant claims the right to extract, produce or market the oil or gas are as follows:

Grantor, lessor, etc.	Grantee, lessee, etc.	Royalty	Book/Page
Greta Suttle, widow John L. Suttle	Starting Drilling & Production Inc. Genesis Energy Corp.	1/8	203/599



Well Operator: BNG Producing & Drilling, Inc.
By: [Signature]
Its: [Signature]

WW-9
Revised 4/99

Page of
2) Operator's Well Number Suttle #1
3) API Well No.: 47 - 087 -
State County Permit

STATE OF WEST VIRGINIA
DIVISION OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS
CONSTRUCTION AND RECLAMATION PLAN AND SITE REGISTRATION APPLICATION FORM
GENERAL PERMIT FOR OIL AND GAS PIT WASTE DISCHARGE

Operator Name B.N.G. PROD. & DRILL. OP ID
Watershed HAYES RUN Quadrangle TARIFF
Elevation 997 County ROANE District SMITHFIELD
Description of anticipated Pit Waste: DRILLING FLUID

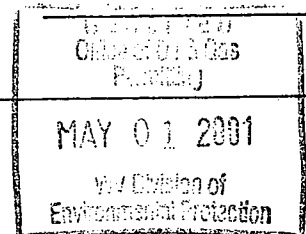
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- ☒ Land Application
☐ Underground Injection - UIC Permit Number
☐ Reuse (at API Number)
☐ Offsite Disposal (Supply form WW-9 disposal location)
☐ Other (Explain)

Proposed Work for Which Pit Will be Used:

- ☒ Drilling Swabbing
☐ Workover Plugging
☐ Other (Explain)

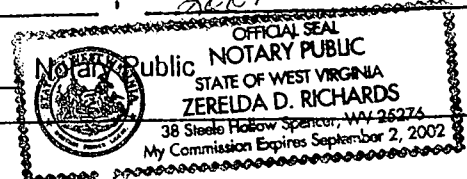


I certify that I understand and agree to the terms and conditions of the GENERAL WATER POLLUTION Permit issued on June 14, 1994, by the Office of Oil and Gas of the West Virginia Division of Environmental Protection. I understand that the provisions of the permit are enforceable by law. Violations of any terms or conditions of the general permit and/or other applicable law or regulation can lead to enforcement action.

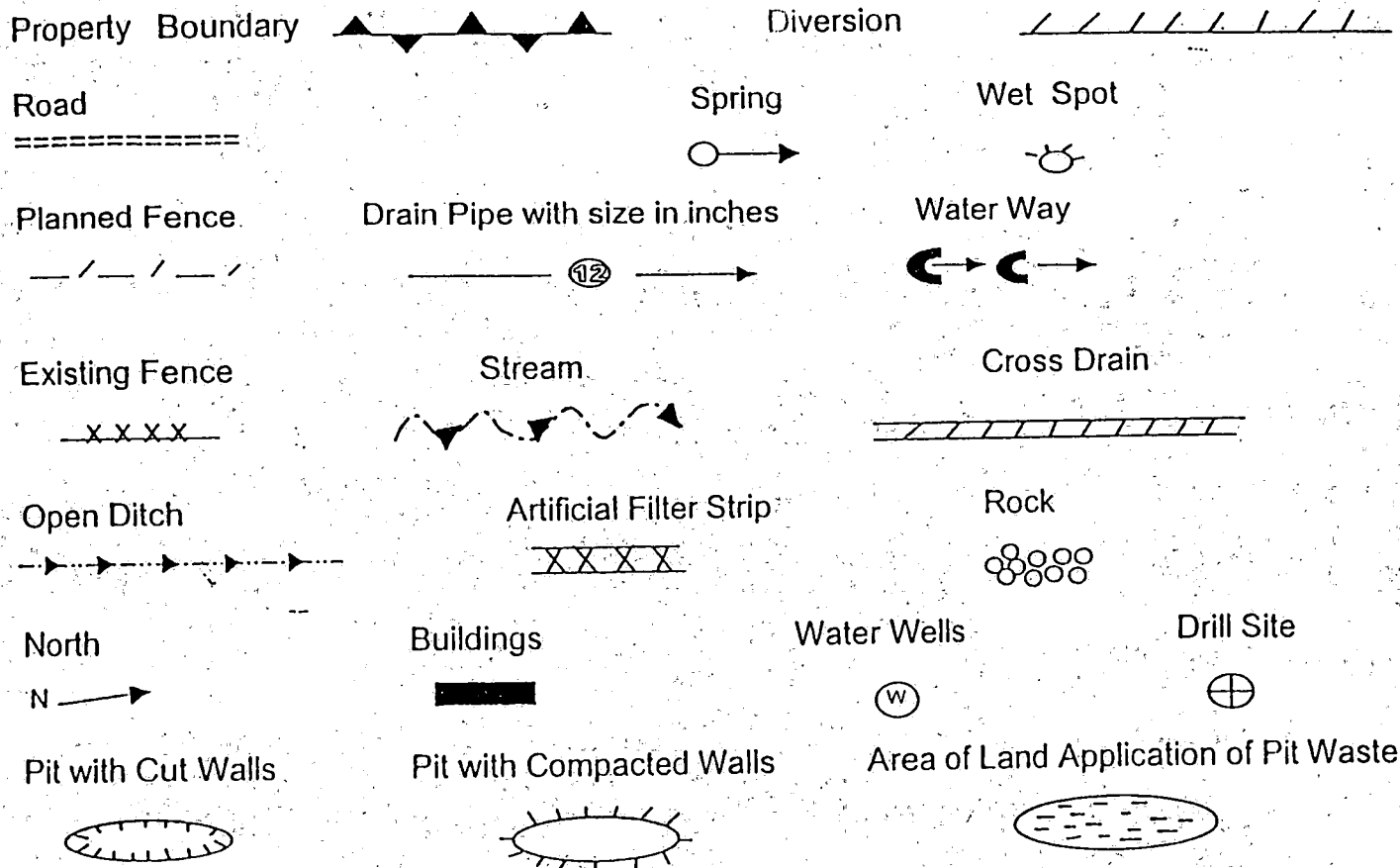
I certify under penalty of law that I have personally examined and am familiar with the information submitted on this application form and all attachments thereto and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine or imprisonment.

Company Official Signature J. M. C. Rapp
Company Official (Typed or Printed) J. M. C. Rapp
Company Official Title Secretary
Subscribed and sworn before me this 10th day of May , 2001

My Commission Expires Sept 2, 2002



LEGEND



Proposed Revegetation Treatment: Acres Disturbed ± 3 Ac Prevegetation pH 6.5

Lime 2 Tons/acre or to correct to pH 6.5

Fertilizer (10-20-20) or equivalent 600 Lbs/acre (500 lbs minimum)

Mulch 2 Tons/acre or hydroseed

SEED MIXTURES

Area I		Area II	
Seed Type	Lbs/acre	Seed Type	Lbs/acre
TALL FESCUE	40	TALL FESCUE	40
PERENNIAL RYE	15	PERENNIAL RYE	15
LADINO CLOVER	5	LADINO CLOVER	5

ATTACH:

Drawing(s) of road, location, pit and proposed area for land application.
Photocopies section of involved 7.5' topographic sheet.

Plan approved by: H. H. Dougherty 3/12/01

Title: District Inspector Date: 3/12/01

Field Reviewed? ☒ Yes ☐ No

B.N.G. PRODUCING & DRILLING

SMITHFIELD

DIST.

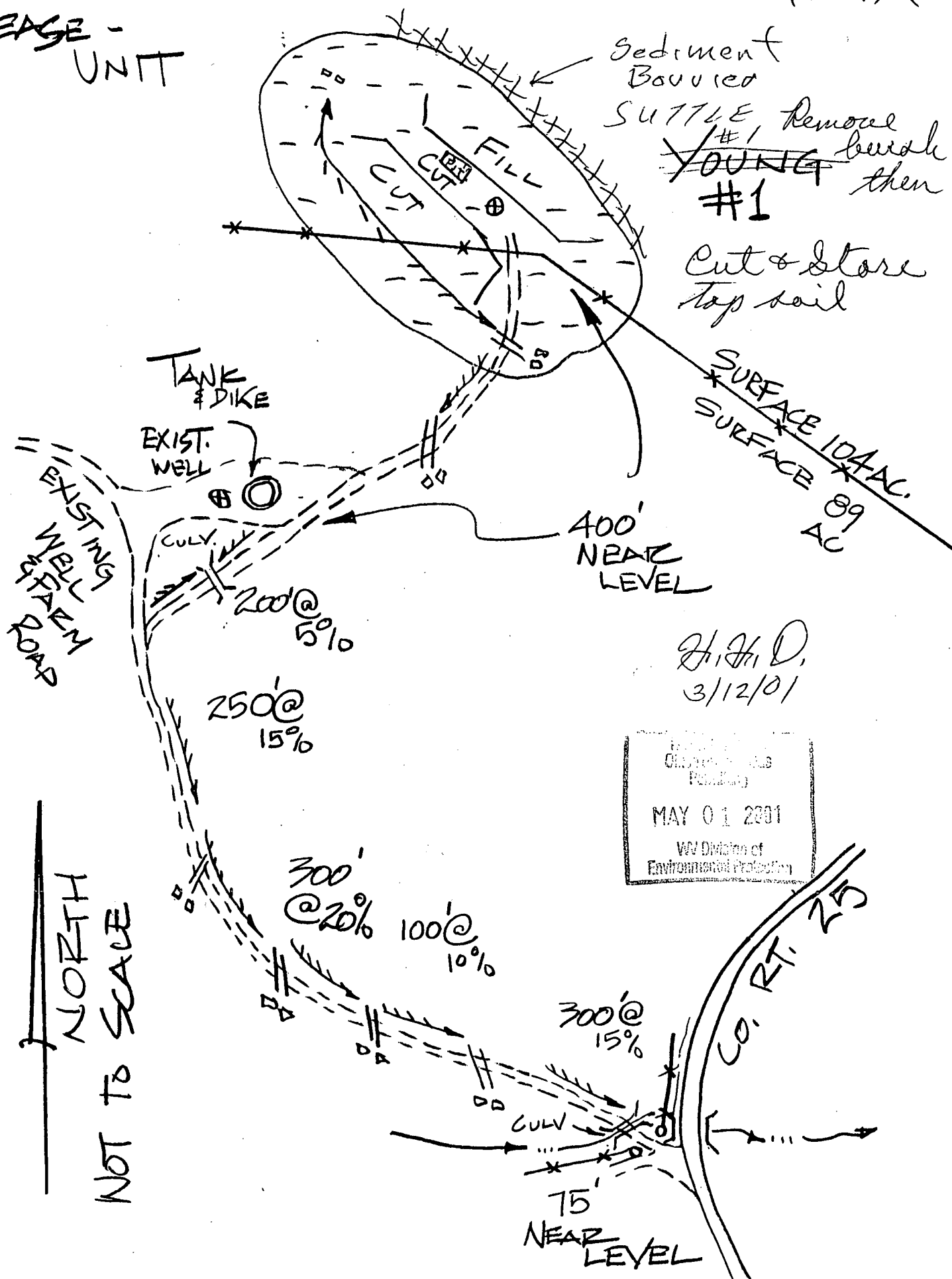
ROANE CO.

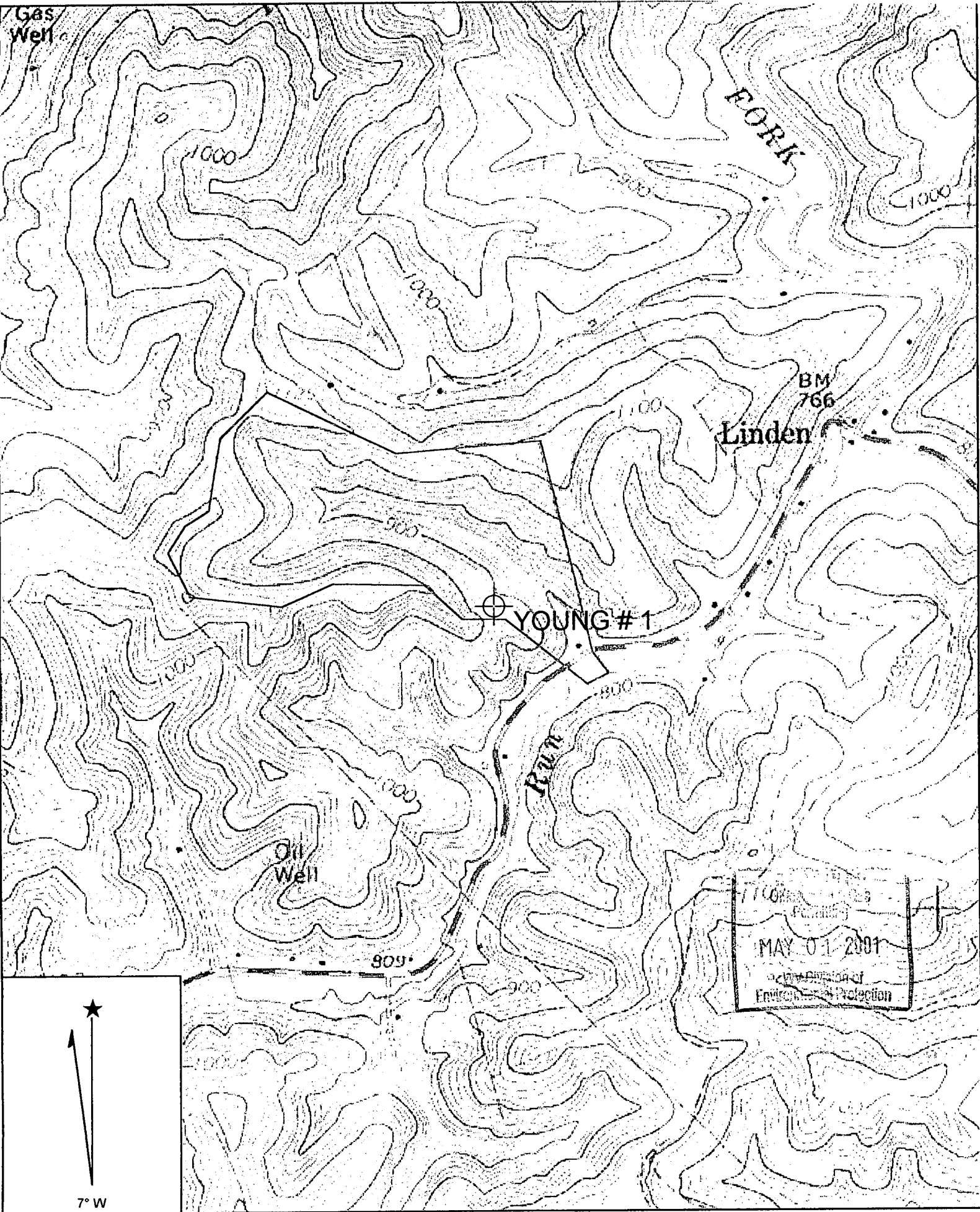
WEST VIRGINIA

SUTTLE 105 AC

+
SUTTLE 89 AC

LEASE -
UNIT





Copyright (C) 1997, Maptech, Inc.

TARIFF QUADRANGLE

SCALE 1" = 1000'

B. N. G. PRODUCING & DRILLING, INC
YOUNG # 1
SUTTLE 105 ACRE / SUTTLE 89 ACRE LEASE - UNIT
SMITHFIELD DISTRICT ROANE COUNTY WEST VIRGINIA

LONG. 81° 13' 15.2"

3560'

UTM CO-ORDS

X = 480810

Y = 4285000

LATITUDE

38° 45'

I CERTIFY THAT SUTTLE #1
IS + 400' FROM ANY LEASE
LINE AND IS + 3000' FROM
ANY PERMITTED
DEEP WELL
THIS DATE

SUTTLE #1

ELEV. 997'

JIMMY JETT SURF.

SUTTLE
103ACS56-30E
280.5

CP.

S48-45E
346.5

SUTTLE

SUTTLE
89AC.FRENCH
NICHOLS
SURF.FNC LINE
EXT. PT IN ROADN84E
321.75S56-02E
59'

15" BL WALNUT

S50-2E
670.5

CO. RT.

25

HAYES RUN

HEZMAN
NICHOLSN65-2E
20.3'

BL. WAL.

215

* 942

* 5378

* 209

* 1005

* 234

* 3379

S86-07W
253'6" BL.
WALNUTSUTTLE
#1S50-39E
261'15" BL WALNUT
HICKORY

(+) DENOTES LOCATION OF WELL ON UNITED STATES TOPOGRAPHIC MAPS

FILE NO.

DRAWING NO.

SCALE 1" = 300'

MINIMUM DEGREE OF

ACCURACY 1:200

PROVEN SOURCE OF

ELEVATION GPS

SURVEY

I THE UNDERSIGNED, HEREBY CERTIFY THAT
THIS PLAT IS CORRECT TO THE BEST OF MY
KNOWLEDGE AND BELIEF AND SHOWS ALL THE
INFORMATION REQUIRED BY LAW AND THE REGU-
LATIONS ISSUED AND PREScribed BY THE DEPART-
MENT OF ENERGY

(SIGNED)

R.P.E.

P.S.

551



PLACE SEAL HERE

STATE OF WEST VIRGINIA

DEPARTMENT OF ENERGY

DIVISION OF OIL AND GAS



DATE 2 MARCH 2001

OPERATOR'S WELL NO. SUTTLE #1

API WELL NO.

47 - 087

STATE COUNTY PERMIT

WELL TYPE: OIL GAS ☒ LIQUID INJECTION WASTE DISPOSAL(IF "GAS,") PRODUCTION ☒ STORAGE DEEP ☒ SHALLOW

LOCATION: ELEVATION 997' WATERSHED HAYES RUN

DISTRICT SMITHFIELD COUNTY ROANE

QUADRANGLE TARIFF

SURFACE OWNER JIMMY JETT

ACREAGE 103

OIL & GAS ROYALTY OWNER GRETA SUTTLE

LEASE ACREAGE 198

PROPOSED WORK: DRILL ☒ CONVERT DRILL DEEPER REDRILL FRACTURE OR

STIMULATE PLUG OFF OLD FORMATION PERFORATE NEW

FORMATION ☒ OTHER PHYSICAL CHANGE IN WELL (SPECIFY) TEST WELL

PLUG AND ABANDON CLEAN OUT AND REPLUG

TARGET FORMATION TRENTON - WASH

ESTIMATED DEPTH BASEMENT

WELL OPERATOR B.N.G. PROD. & DRILL. DESIGNATED AGENT JEFF BOGGS

ADDRESS 1248 CHARLESTON ROAD ADDRESS

SPENCER, WV 25276

1248 CHARLESTON ROAD

SPENCER, WV 25276

FORM WW-8

COUNTY NAME

PERMIT

LAT. 38° 42' 55.3"

LONGITUDE

12600'

State of West Virginia
Department of Environmental Protection
OIL AND GAS CONSERVATION COMMISSION

1356 Hansford Street
Charleston, West Virginia 25301
Telephone: 558-6076
Fax: (304)558-6047

Barry K. Lay, Chairman
Michael W. Sinicropi, Member
Denny P. Harton, Member
John H. Johnston, Ex-Officio
Michael O. Callaghan, Ex-Officio

Bob Wise, Governor

May 17, 2001

The Times Record
David J. Hedges
Post Office Box 647
Spencer, West Virginia 25276

ATTENTION: Legal Ad Department

Please print the enclosed legal document in The Times Record, on Thursday, June 7, and again on Thursday, June 14, 2001. The certification and invoice in duplicate should be sent to:

WV Oil and Gas Conservation Commission
Cindy Smith
1356 Hansford Street
Charleston, West Virginia 25301

If you should have any questions you may call me at (304)558-6076.

Sincerely,

Cynthia Smith

Cynthia Smith
Adm. Secretary

encl:

EXHIBIT
NO. 5

Pamela Sue Jett
1282 Linden Road
Looneyville, WV 25259

Barry K. Lay, Chairman
Oil and Gas Conservation Commission
1356 Hansford Street
Charleston, WV 25301

RE: Suttle # 1 Well
Docket No 139
Cause No. 132

Dear Mr. Lay:

In regard to the request by BNG Drilling & Producing, Inc.
for a test well proposed to be API 47-087-04288.

I was contacted by Martin Twist Energy for permission to
drill a well on my property, being 22.75 ac Hays Fork, Smithfield
District, Roane County. I thought I made it very clear that we
were not interested in this, due to the fact that we only have
22.75 acres and there is already one well on this property, that
well being API 047-087-03408, Clennie Suttle Well.

I understand by previous information given to me by
Sterling Drilling and Production that there was a cloud on the
title when the title was prepared for their company. I have a
copy of that document in my possession. We were asked to sign a
waiver for them to drill the well, at that time we did sign the
waiver, but I am not willing to do that again. I don't think the
companies involved, BNG or Twist Energy have prepared a title for
this property or to try to clear the title. I think they need to
do their homework before they start making locations.

These two companies have been in Roane and Jackson County
trying to drill a well, to date I do not believe they have proved
that they can drill a deep well. I would suggest that you deny
their request for a permit for that reason. Tell them to finish
one and then you will consider it. They have been in Jackson
County for almost a year and spent more than a year on Vineyard
Ridge in Roane County and still have not finished a well.

I understand the mineral owners have rights, but do we not have rights as the surface owner. A few weeks ago I read the article in the Charleston Newspaper, about the surface owners rights. Will I have to get an attorney or will you act in my behalf and not let this happen.

IF this had been a company that would have drilled a well and then moved on I would not have been so upset about it, but as I said before they have not proved that they can drill a deep well.

I have worked for several oil and gas companies over the last few years and I realize that if everyone had this attitude that we would all be unemployed, but I am asking you to deny or delay this permit until they have proved themselves.

If they are allowed to come on my property without my permission, then I suggest that they be under bond or put money in escrow (up front) for the damages that will occur on my land.

Enclosed is a copy of the letter that I received about the hearing, I talked to Al Blankenship last week and he suggested that we, the surface owner would not have a say at the hearing, he understood that this was for the O & G Commission and BNG.

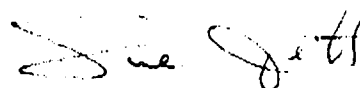
Please advise me about what my rights are and if I should hire an attorney, or if it will help me to do that.

Also please send me any information that has been proposed to you about the well location and R.O.W., if this is public record.

I will be waiting to hear from you, please let me know as soon as possible, the hearing is June 22, and I would like to know what I need to do a few weeks in advance.

Thanking you in advance for anything you can do to help me resolve this situation.

Yours truly,



Danny Jett &
Sue Jett

927-5168 or 3138

AUTOMATIC COVER SHEET

DATE : MAY-31-01 08:31 AM

TO :

FAX #: 13045586047

FROM : SUE.JETT

FAX #: 304 927 3445

5 PAGES WERE SENT

(INCLUDING THIS COVER SHEET)

Pamela Sue Jett
Box 34 Linden Rt.
Looneyville, WV 25259

Telephone number 304-927-5168

Fax number: 304-927-3445

Date 5-29-01

FAX FROM THE DESK OF Sue Jett

TO: Barry Long

RE: _____

Notes: re Well Permit
SN6

IF YOU RECEIVED THIS FAX IN ERROR, PLEASE RETURN TO THE
ADDRESS ABOVE AND YOUR POSTAGE WILL BE REFUNDED.

4 pages

State of West Virginia
Department of Environmental Protection
OIL AND GAS CONSERVATION COMMISSION
1356 Hansford Street
Charleston, West Virginia 25301
Telephone: 558-6076
Fax: (304)558-6047

Barry K. Lay, Chairman
Michael W. Sinicropl, Member
Denny P. Harton, Member
John H. Johnston, Ex-Officio
Michael O. Callaghan, Ex-Officio

Bob Wise, Governor

**BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF WEST VIRGINIA**

**IN THE MATTER OF THE REQUEST BY BNG
DRILLING & PRODUCING, INC. FOR TEST
WELL STATUS ON TWO PROPOSED WELL
TO BE LOCATED IN SMITHFIELD DISTRICT,
ROANE COUNTY, WEST VIRGINIA.**

DOCKET NO. 139

CAUSE NO. 132

NOTICE OF HEARING

BNG Producing & Drilling, Inc., by fax dated May 9, 2001, has requested test well status on the proposed Jett #1 well, API 47-087-04284, and the Suttle #1 well, API 47-087-04288, to be located in Smithfield District, Roane County, West Virginia.

The hearing is scheduled as stated below:

DATE: June 22, 2001

TIME: 10:00 a.m.

**PLACE: Department of Environmental Protection
Office of Oil and Gas
1356 Hansford Street, 2nd Floor
Charleston, West Virginia 25301
(304) 558-6076**

IN THE NAME OF THE STATE OF WEST VIRGINIA:

**OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF WEST VIRGINIA**

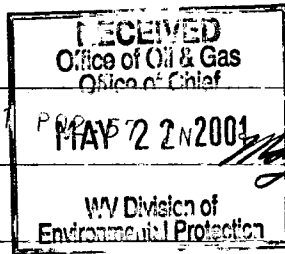
By: Barry K. Lay
Barry K. Lay, Commissioner

Dated this 16th day of May, 2001, at Charleston, West Virginia.

87-4288

EXHIBIT
NO. 6

05-22-01



May 18, 2001

I have been out of state for a while. When I returned home, this permit was at the post-office.

The proposed location of the well is on a very steep hill beside my house. My only source of water is straight below it. Also my house and horse barn is below it.

Mr. Twist called me on 2 separate occasions to reach an agreement on my damages but he never showed up either time nor did he call to cancel. I called B.N.G. and they said they were hired too for the drilling but Mr. Twist was the operator. I didn't understand why B.N.G. would be applying for the permit.

Until someone is honest with me I will not agree to the proposed permit.

James W. Felt

139-1

EXHIBIT
NO. 7

May 9, 2001

We are asking for an acceptable ruling on a deep well permit filed as a Test Well on the JETT #1 location, in Roane County, Smithfield District.

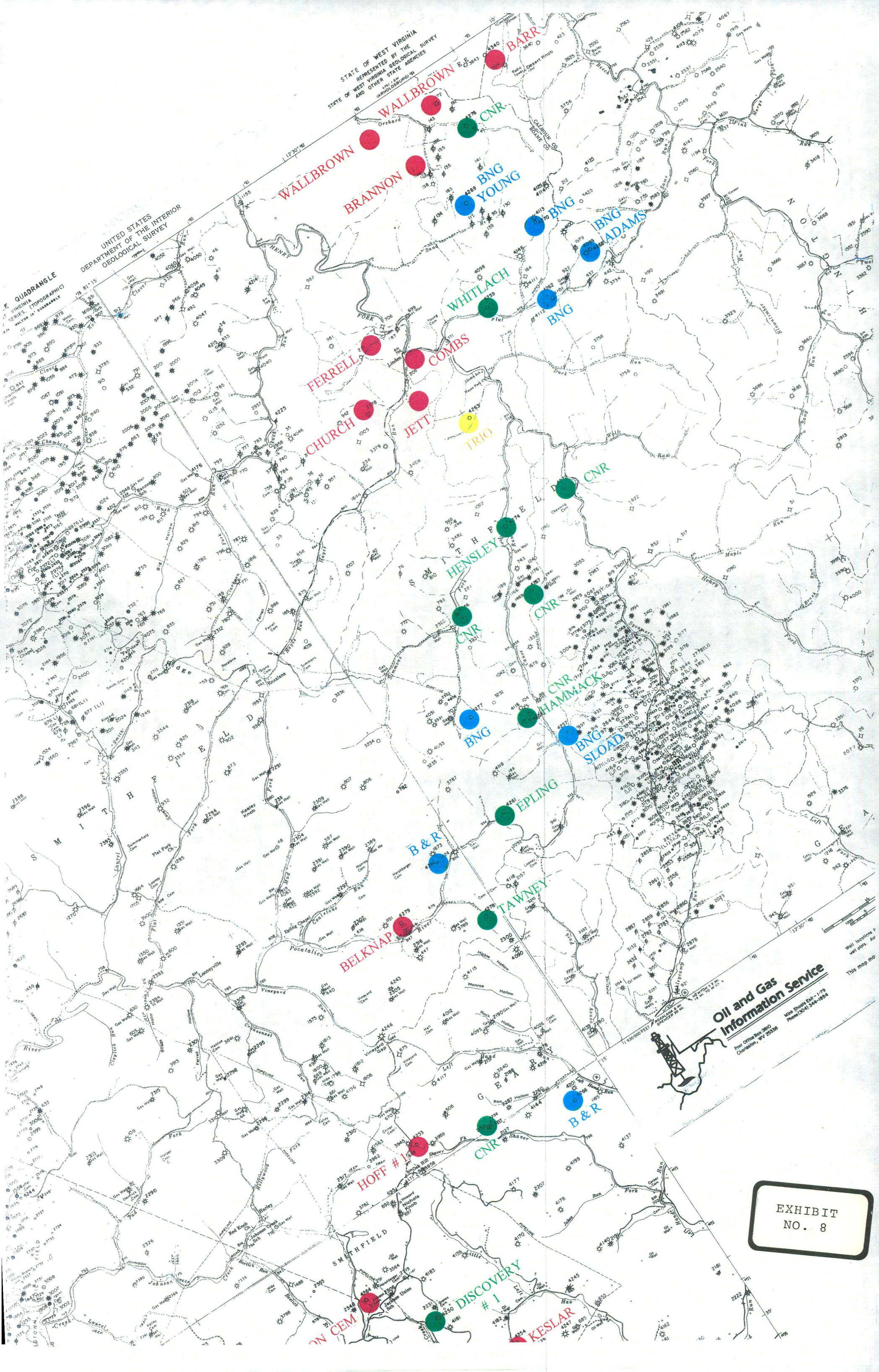
Our decision and reasoning to apply for a test well at this location is based on these factors:

- 1) This location is on a totally different fracture than any other deep well in its area, or close vicinity.
- 2) Also, the surface owner of this property, Danny and Pamela Sue Jett, is demanding an unreasonable sum of money in the amount of Twenty Thousand Dollars (\$20,000) for an easement to drill on their property.

We feel these factors should permit

- Permit us to drill this location as a Test Well, and
- Allow us an easement onto the property with the state regulating the amount of the damages.

BNG DRILLING & PRODUCING, INC.



STATE OF WEST VIRGINIA
REPRESENTED BY THE
STATE OF WEST VIRGINIA GEOLOGICAL SURVEY
AND OTHER STATE AGENCIES

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

E QUADRANGLE
VIRGINIA (TOPOGRAPHIC)
SERIES, MAPS 14' QUADRANGLE
WYOMING 14' QUADRANGLE

**Oil and Gas
Information Service**
Post Office Box 3910
Charleston, WV 25306
Main Office 344-1779
Phone 344-1884

EXHIBIT
NO. 8

State of West Virginia
Department of Environmental Protection
OIL AND GAS CONSERVATION COMMISSION

1356 Hansford Street
Charleston, West Virginia 25301
Telephone: 558-6076
Fax: (304)558-6047

Barry K. Lay, Chairman
Michael W. Sinicropi, Member
Denny P. Harton, Member
John H. Johnston, Ex-Officio
Michael O. Callaghan, Ex-Officio

Bob Wise, Governor

June 28, 2001

Mr. Charles Dollison
Bowles, Rice, McDavid, Graff and Love
Post Office Box 1386
Charleston, WV 25325

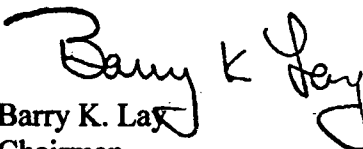
Re: BNG Drilling & Producing, Inc.
Docket Number 139, Cause Number 132

Dear Mr. Dollison:

The Oil and Gas Conservation Commission ("Commission") deliberated on the above matter and considered the evidence presented at the June 22, 2001 hearing. Based upon the evidence presented, the Commission is unable to determine whether or not the proposed wells may be classified as "test" wells or "development" wells. Therefore, in order to more properly assess the classification of the proposed wells, the Commission encourages either party to request a continuance of the June 22 hearing and present additional testimony. If a continuance is not requested by the close of business on July 10, 2001 then the Commission will rule based upon the evidence presented at the June 22 hearing.

A written request for continuance of this matter should be submitted to the Brett Loflin, Oil and Gas Conservation Commission, 1356 Hansford St. Charleston, West Virginia.

Sincerely,


Barry K. Lay
Chairman

X-5

Pamela Sue Jett
1282 Linden Road
Looneyville, WV 25259

Barry K. Lay, Chairman
Oil and Gas Conservation Commission
1356 Hansford Street
Charleston, WV 25301

RE: Suttle # 1 Well
Docket No 139
Cause No. 132

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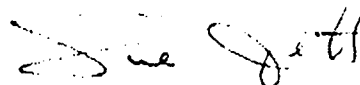
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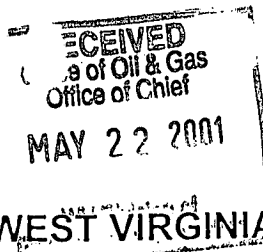
Thanking you in advance for anything you can do to help me resolve this situation.

Yours truly,



Danny Jett &
Sue Jett

927-5168 or 3138



1) Date: MAY 1, 2001
2) Operator's Well Number
SUTTLE #1
3) API Well No.: 47 - _____
State _____ County _____ Permit _____

**STATE OF WEST VIRGINIA - BUREAU OF ENVIRONMENT
DIVISION OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS
NOTICE AND APPLICATION FOR A WELL WORK PERMIT**

4) Surface Owner(s) to be served:
(a) Name Jimmy Jett
Address 1529 Linden Rd.
Looneyville, WV 25259
(b) Name _____
Address _____
(c) Name _____
Address _____
6) Inspector _____
Address _____
Telephone _____

5) (a) Coal Operator
Name _____
Address _____
(b) Coal Owner(s) with Declaration
Name _____
Address _____
Name _____
Address _____
(c) Coal Lessee with Declaration
Name _____
Address _____

TO THE PERSONS NAMED ABOVE TAKE NOTICE THAT:

OR Included is the lease or leases or other continuing contract or contracts by which I hold the right to extract oil and gas
Included is the information required by Chapter 22, Article 6, Section 8(d) of the Code of West Virginia (see page 2)
I certify that as required under Chapter 22-6 of the West Virginia Code I have served copies of this notice and application, a location plat, and accompanying documents pages 1 through _____ on the above named parties by:
☐ Personal Service (Affidavit attached)
☒ Certified Mail (Postmarked postal receipt attached)
☐ Publication (Notice of Publication attached)

I have read and understand Chapter 22-6 and 35 CSR 4, and I agree to the terms and conditions of any permit issued under this application.

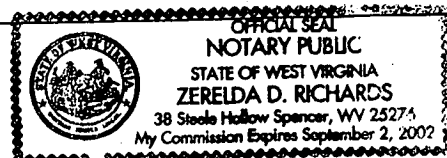
I certify under penalty of law that I have personally examined and am familiar with the information submitted on this application form and all attachments, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate and complete.

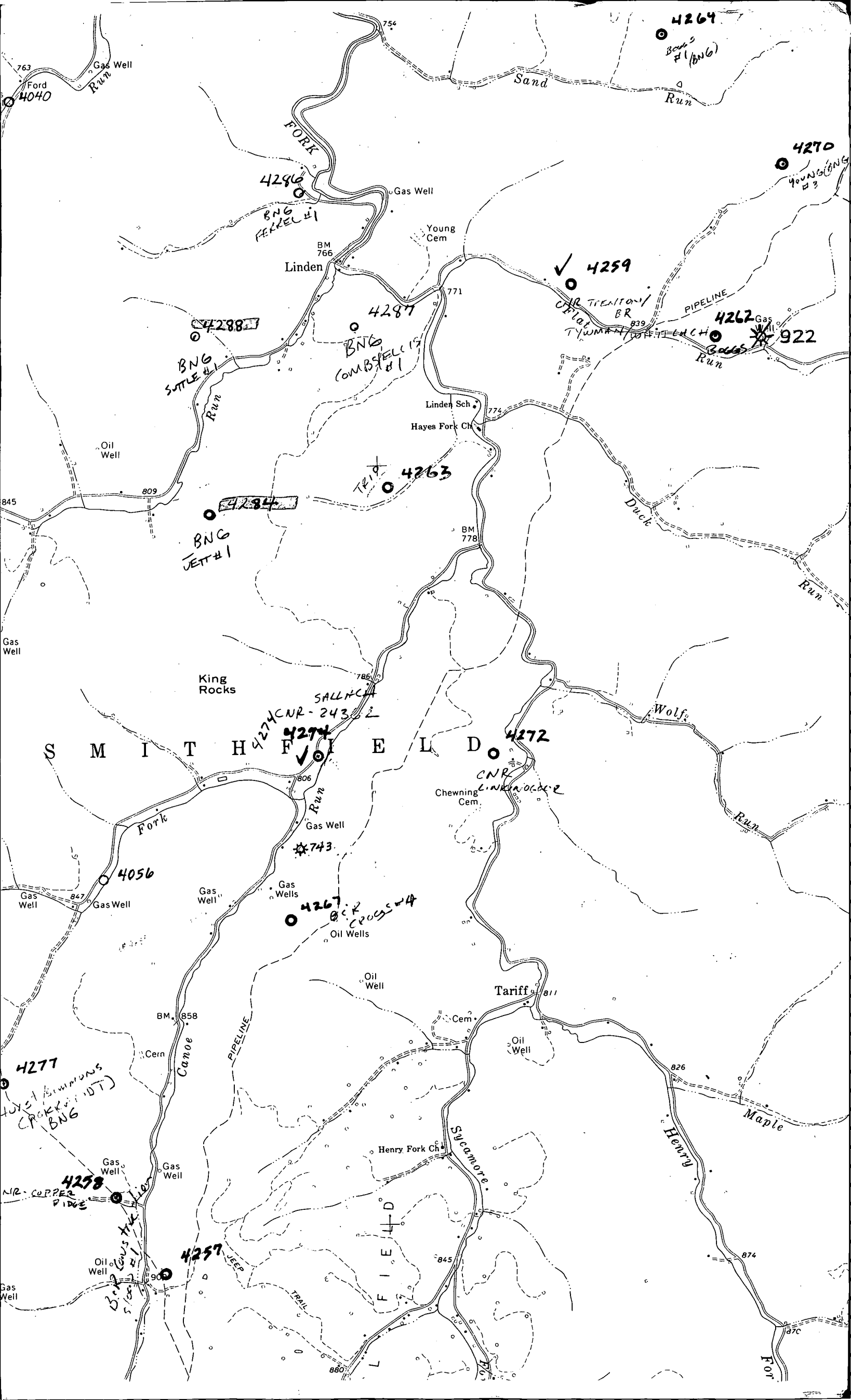
I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment.

Well Operator BNG Producing & Drilling Inc
By: [Signature]
Its: [Signature]
Address 1248 Charleston Rd
Spencer, WV 25276
Telephone 304-927-1236

Subscribed and sworn before me this 1st day of May, 2001

[Signature] Notary Public
My Commission Expires Sept. 2, 2003





X-5

Pamela Sue Jett
1282 Linden Road
Looneyville, WV 25259

Barry K. Lay, Chairman
Oil and Gas Conservation Commission
1356 Hansford Street
Charleston, WV 25301

RE: Suttle # 1 Well
Docket No 139
Cause No. 132

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SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

4a. Article Number

7099 3400 0018 2240 3543

Bowles, Rice, McDavid, Graff and Love
Charles Dollison
Post Office Box 1386
Charleston, West Virginia 25325

e Type

ered

s Mail

Receipt for Merchandise

Delivery

☒ Certified

☐ Insured

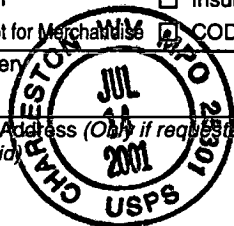
☐ COD

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

X Shirley Robertson



Printed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
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- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
 2. ☐ Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

Lonnie Armstrong
BNG Producing & Drilling
Post Office Box 148
Spencer, West Virginia 25276

4a. Article Number

7099 3400 0018 2240 3536

4b. Type

Registered

Mail

Receipt for Merchandise

Delivery

☒ Certified

☐ Insured

☐ COD

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X

8. Addressee's Address (Only if requested and fee is paid)

Thank you for using Return Receipt Service.

Completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

4a. Article Number

7099 3400 0018 2240 3246

Pamela Sue Jett
1262 Linden Road
Looneyville, West Virginia 25259

Service Type

Registered

☒ Certified

Express Mail

☐ Insured

Receipt for Merchandise

☐ COD

Delivery

7-16-01

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

X

Pamela Sue Jett

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Is your RETURN

Thank you for using Return Receipt Service.

SENT BY: _____

DEPARTMENT: _____

DO NOT METER

Docket 140
Cause 132

INTERDEPARTMENTAL MAIL

I understand the mineral owners have rights, but do we not have rights as the surface owner. A few weeks ago I read the article in the Charleston Newspaper, about the surface owners rights. Will I have to get an attorney or will you act in my behalf and not let this happen.

IF this had been a company that would have drilled a well and then moved on I would not have been so upset about it, but as I said before they have not proved that they can drill a deep well.

I have worked for several oil and gas companies over the last few years and I realize that if everyone had this attitude that we would all be unemployed, but I am asking you to deny or delay this permit until they have proved themselves.

If they are allowed to come on my property without my permission, then I suggest that they be under bond or put money in escrow (up front) for the damages that will occur on my land.

Enclosed is a copy of the letter that I received about the hearing, I talked to Al Blankenship last week and he suggested that we, the surface owner would not have a say at the hearing, he understood that this was for the O & G Commission and ENG.

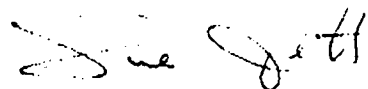
Please advise me about what my rights are and if I should hire an attorney, or if it will help me to do that.

Also please send me any information that has been proposed to you about the well location and R.O.W., if this is public record.

I will be waiting to hear from you, please let me know as soon as possible, the hearing is June 22, and I would like to know what I need to do a few weeks in advance.

Thanking you in advance for anything you can do to help me resolve this situation.

Yours truly,



Danny Jett &
Sue Jett

927-5168 or 3138